



CHINA CONCH VENTURE HOLDINGS LIMITED 2025 ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG) REPORT

(於開曼群島註冊成立的有限公司)
Incorporated in the Cayman Islands with limited liability

STOCK CODE 股份代號:586

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About the Report

Overview

The Report is the tenth Environmental, Social and Governance (“ESG”) Report published by China Conch Venture Holdings Limited (“Conch Venture”, “the Company”, or “We”), reflecting the environmental, social and governance (the “ESG”) strategies, policies, measures and achievements of the Company and its subsidiaries (the “Group”) in 2025 and focusing on disclosing the information about the Group’s ESG performance.

Reporting Period

The Report covers information and data from 1 January 2025 to 31 December 2025 (the “Reporting Period”), with certain content tracing back to previous years or extended accordingly.

Basis of Preparation

The Report is prepared in accordance with the Environmental, Social and Governance Reporting Code set out in Appendix C2 to the Listing Rules of Hong Kong Exchanges and Clearing Limited (“HKEX”), and adheres to the following principles:

- **Materiality:** The Report discloses the process of identifying, assessing, and prioritizing material ESG issues, and utilizes the results to report on ESG issues that have a significant impact. Please refer to subsection “2.1.4 Materiality Assessment” for the identification process and results of material ESG issues of the Company in 2025.
- **Quantitative:** The Report discloses relevant quantitative data of the Company in the ESG field, as well as the standards and methods adopted for statistics and calculations, with textual explanations provided for the quantitative data. Please refer to the “ESG Data” section in the Appendix and the corresponding parts of each chapter for the ESG quantitative data of the Company in 2025.
- **Balance:** The Report presents our ESG efforts in a fair and objective manner.
- **Consistency:** Unless otherwise stated, the Company adopts consistent statistical methodologies for disclosure across each reporting period.

Scope of the Report

The policies and data provided in the Report cover the Group, and the scope of the Report is consistent with the Annual Report. Unless otherwise stated, the currencies involved in the Report are RMB.

Report Access

The Report has been prepared in both Chinese and English and its electronic version is available on the websites of the HKEX and the Company (<http://www.conchventure.com/>) under the “Investor Relations” section - “ESG Report”.

Verification and Approval

After being verified by the management, the Report was approved by the Board on 25 March 2026.

Materials Source and Reliability Assurance

The data and cases in the Report are mainly derived from the Group’s statistical reports and related documents. The Board of Directors of the Company promises that the Report does not contain any false records or misleading statements, and is responsible for the authenticity, accuracy and completeness of its contents.

Contact Information

Through the publication of the Report, we hope to strengthen communication, cooperation, responsiveness and mutual understanding among all parties, thereby enhancing the alignment in terms of interests, emotions and value, and working together for the sustainability of the enterprises and the society. For any suggestions and comments on the Report, please contact us as follows:
E-mail: hlcy@conchventure.com
telephone: 086 0553-8398329

Chairman's Statement

2025 was a pivotal year for Conch Venture as we deepened our commitment to high-quality development and green transformation. The Group has consistently adhered to high-quality development as its core focus, and while strengthening our core business of waste disposal and environmental protection, we accelerated our expansion into new energy materials, resource recycling, and green energy supply. Closely aligning with the national "dual carbon" strategy, we have continuously expanded the boundaries of sustainable development through management refinement and industrial synergies, striving to build a large-scale, comprehensive environmental protection enterprise group that is a leader in China and a world-class player in its field.



Strengthen governance foundations and practice integrity in business operations

We remain committed to integrating sustainable development into our corporate governance by continuously optimizing our ESG governance structure, strengthening Board participation in ESG governance, and enhancing the mechanism linking executive compensation to ESG performance indicators. We continuously improve our internal control, compliance, and business ethics systems, responding to societal concerns through sound governance practices and solidifying the foundation for the Company's sustained and stable development.



Advance green and low-carbon development to build a circular ecosystem

Conch Venture remains committed to the philosophy of "Green Mountains and Rivers Creating a Green Home", and leverages its core environmental protection business to advance resource recycling and energy conservation. In 2025, we focused on the synergistic "environmental protection + circular economy" dual-engine approach, steadily advancing multiple projects both domestically and abroad, while actively expanding our "steam sales" business to foster a green heating ecosystem for surrounding industries. At the same time, we continue to enhance the recycling efficiency of used batteries, and achieve efficient closed-loop resource utilization.



Put people first to harness the driving force of development

Employees are the foundation of the Company's development. We are committed to fostering a diverse, inclusive, and equitable workplace environment. The Group continues to optimize its performance management and talent development systems, empowering employees' professional growth through school-enterprise collaboration programs such as the "Conch Venture Class". We consistently prioritize workplace safety, strengthen occupational health protections, and foster a safety culture that involves all employees. To enhance our compensation and benefits mechanisms, we continuously optimize salary structures and incentive policies, achieving a positive synergy between talent development and corporate growth.



Move towards the future through innovation and sustain quality through craftsmanship

Focusing on breakthroughs in innovative clean technologies, Conch Venture continues to increase its R&D investment and has obtained multiple patent authorizations to enhance its core competitiveness. We place great importance on intellectual property protection, actively promote the transformation of research outcomes into productive forces, and continuously fortify our competitive edge through technological innovation. Upholding the philosophy of "quality as the guiding principle", we implement a quality control mechanism that covers the entire product lifecycle, ensuring that we provide customers with reliable and stable products and services. We are committed to improving the full lifecycle management process for suppliers, integrating ESG principles into supplier management, and working with partners to enhance the resilience of the industrial chain.



Practice social responsibility and jointly create a win-win future

We are deeply committed to creating green value. In 2025, we achieved new breakthroughs in waste-to-energy power generation while embarking on the new business of steam sales, effectively supporting the green transformation of society as a whole. We actively participate in educational assistance, environmental protection advocacy, and community welfare initiatives, giving back to society through practical efforts such as opening environmental protection facilities for public visits and carrying out community support and agricultural aid programs. With an open and win-win mindset, we collaborate with various partners to realize corporate value while fulfilling our noble mission of "Creating a Better Home for the Future of Humanity".

Based on the new journey, Conch Venture will steadfastly advance green and low-carbon transformation, deepen its presence in energy conservation and environmental protection, and repay customers, empower employees, and benefit society with exceptional quality and service, jointly drawing the blueprint for harmonious coexistence between humanity and nature.



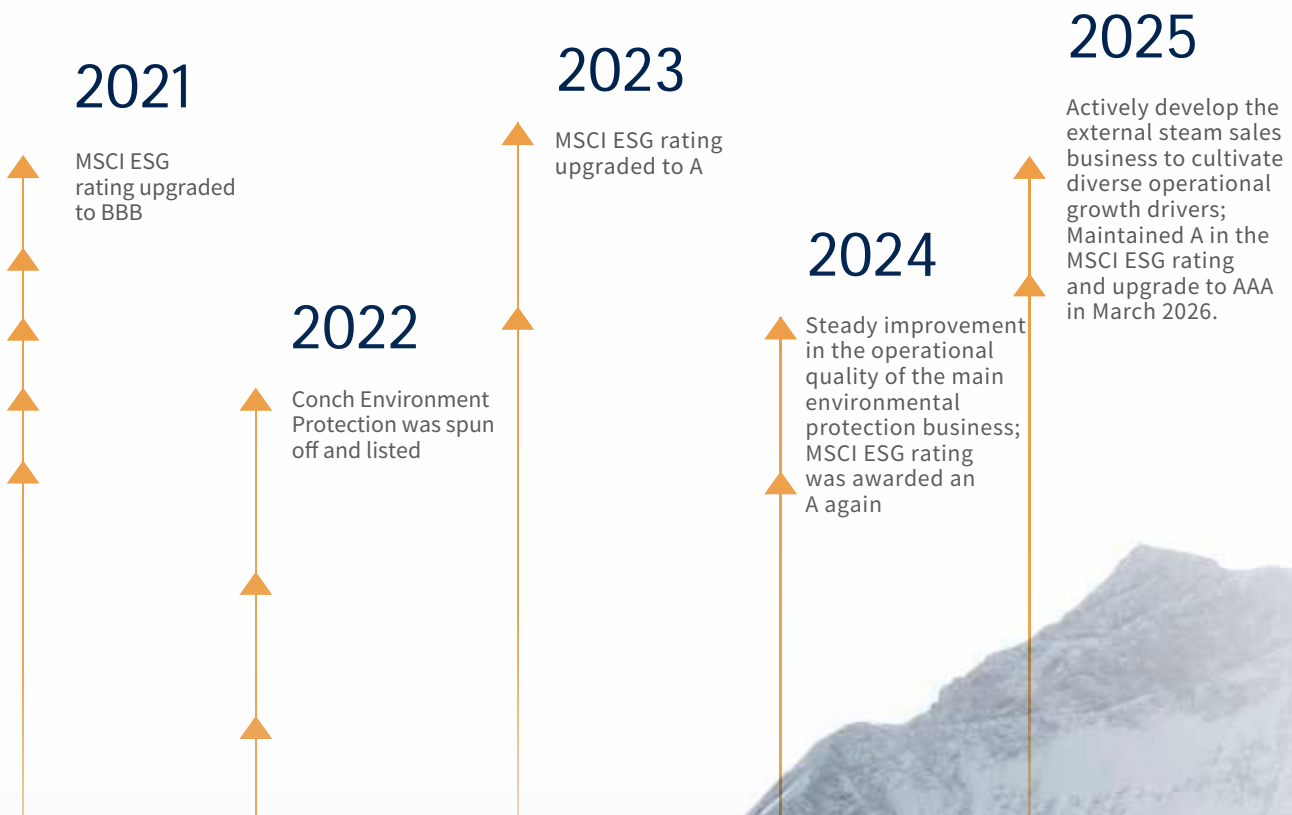
Writing a New Chapter of Sustainability, Leading the Future through Innovation

Facing a new phase of green transformation, Conch Venture holds fast to its foundational commitment to responsibility. Driven by innovation, we continue to deepen our focus on the environmental protection sector and consistently expand the boundaries of sustainable development. We firmly believe that improving the ecological environment is not merely a technical challenge, but a strategic choice crucial for long-term growth. While strengthening our core capabilities in pollution control, the Group is accelerating its layout in clean energy and resource recycling, promoting technological iteration and systemic change. Through sustained investment in R&D and business model innovation, we translate our green philosophy into tangible actions, contributing solidly to the construction of a Beautiful China and co-creating a vision for a sustainable future with all sectors of society.



1.1 Painting the Vision of Conch Venture

The Group was listed on the Main Board of The Stock Exchange of Hong Kong Limited on 19 December 2013 (Stock Code: 00586.HK). For years, we have focused on the energy conservation and environmental protection sectors, providing our clients with "turnkey" solutions in these fields. As a leading comprehensive service provider in the environmental protection industry, the Company's business spans multiple areas, including waste disposal, new energy materials, lithium battery recycling, new building materials and port logistics.



Riding the crest of the green transformation wave, Conch Venture responds to the call of our times through concrete actions. Leveraging our technological expertise in new energy battery materials and resource recycling, we are advancing a synergistic industrial chain layout. Looking ahead, we will closely align with the national green development strategy, broaden our innovation boundaries, and continue to delve deeper into energy-saving new materials and specialized environmental sectors, accelerating the upgrade towards a full-chain service in the new energy battery sector.

In 2025, with lean operations as its core focus, Conch Venture will drive management refinement, cost precision, and innovation normalization, accelerating the establishment of a synergized, efficiently linked environmental protection industrial ecosystem. As of the end of the Reporting Period, the Group had promoted and signed a total of 128 projects across 23 provinces (municipalities directly under the central government, autonomous regions) in China and overseas, including 100 grate furnace waste-to-energy projects, 2 fly ash disposal projects, 2 independent kitchen waste disposal projects, 7 cement kiln co-processing waste projects, 1 waste transfer station project, 2 new energy projects, 11 comprehensive utilization projects including lithium battery recycling, 2 new building materials projects, and 1 port logistics project. During the Reporting Period, Conch Venture achieved an operating revenue of RMB6.548 billion.

1.2 Expanding Business Momentum

The Group's business portfolio encompasses four main segments: the environmental protection industry, the new energy materials industry, the recycling industry, and port logistics. Guided by our five-year development plan and leveraging our advantages in the environmental protection core business, we consolidate development efforts to accelerate the synergistic "Environmental Protection + Recycling" dual-wheel drive strategy. By building distinctive industrial clusters and adhering to the principle of seeking progress while maintaining stability, and fostering innovation through change, we are committed to becoming a leading large-scale comprehensive environmental protection enterprise group in China with a world-class status.

Environmental Protection Industry

The Group focuses on enhancing operational quality by implementing professional and refined management. We encourage project companies to diversify waste sources and increase grid-connected electricity to ensure efficient and stable operations. Concurrently, we leverage synergistic multi-business operations to continuously unlock project potential. During the Reporting Period, two waste-to-energy projects, namely Yunnan Yunyang and Hubei Jingshan, achieved grid connection and power generation. As of the end of the Reporting Period, the Group had put 88 projects into operation. Among these, 29 projects have commenced external steam sales, 40 projects are engaged in the synergistic treatment of sludge and distiller's grains, and 31 projects handle external leachate and other wastewater. Furthermore, the Group actively progressed adjustments to waste disposal fees and bottom ash prices, completing fee adjustments for 8 projects and bottom ash price increases for 74 projects. Significant progress was also made in green electricity certificate trading.

New Energy Industry

Driven by technological innovation, Conch Venture deeply cultivates the new energy materials sector, aiming to become a leading "intelligent manufacturer" in the industry. During the Reporting Period, the lithium iron phosphate cathode material project adhered to a production strategy based on sales orders, accelerating new product R&D and certification. The year witnessed a successful transition from an OEM model to a proprietary sales model, with capacity utilization steadily increasing to 84%, exceeding the industry average. The R&D testing center and energy storage power station were commissioned and put into use, effectively reducing energy costs through self-inspection of products, peak-load shifting, and self-storage and self-consumption. The construction of the anode material project progressed steadily, with simultaneous expansion in both supply and sales markets.

Recycling Industry

Leveraging the resource advantages of the Conch Group's cement kilns, Conch Venture continues to promote its lithium battery recycling model, characterized by "front-end dismantling and sorting within cement plants + back-end hydrometallurgical extraction", establishing a nationwide recycling network. Simultaneously, in line with industry trends, we rationally adjusted investment strategies for lithium battery recycling projects. During the Reporting Period, the Group added a new project in Li County, Hunan Province, further solidifying its business layout for the synergistic treatment of lithium batteries within waste-to-energy facilities.

Port Logistics

The Group's port logistics business primarily provides coal transshipment and warehousing services to clients along the Yangtze River and the Grand Canal basin, supplemented by value-added services such as coal washing, blending, and mechanical sampling. Facing increasingly intense market competition, the Group adheres to the principle of "stabilizing existing volumes and expanding incremental volumes", precisely optimizing cooperation with core clients to secure cargo sources. By exploring the potential of inland waterways and expanding "tug fleet" water-to-water transshipment business, we actively respond to price inversions in the coal market and pioneer new avenues in foreign trade, achieving steady business growth.

In 2025, the Group focused on the development of its external steam sales business by formulating the Three-Year Special Plan for External Steam Sales of CV Green Energy (2026–2028). With a long-term target of selling 3 million tonnes of steam externally, the plan centers on building an industrial ecosystem around project sites, promoting the synergistic extension of green electricity and steam resources. Concurrently, efforts are accelerated to attract steam-using enterprises, thereby strengthening resource conversion capabilities.

1.3 Highlights of Conch Venture

1.3.1 In 2025

Rating Performance

Rated **A**
in MSCI ESG Ratings

Steady improvement in
S&P CSA and ESG scores,
ranking in the upper-mid
tier of the industry



Corporate Governance

Operational Performance:

Operating revenue of

RMB6.548 billion

Anti-Corruption:

9 audits conducted;

100% employee
coverage by the Code of
Business Conduct and Ethics



Environmental Protection

16.47 million tonnes

of domestic waste were
disposed throughout the year

542,000 MWh

electricity was connected
to the Grid

13

companies
obtained ISO
14001
certifications

698,000

tonnes of steam sales

Approximately **900,000**
green electricity certificates traded

Social Responsibility

Health and Safety:

12 companies
obtained ISO 45001
certifications

Lost time injury frequency
rate (per thousand

employees): **1.5**‰

100% employee
medical examination
coverage

Talent Development:

Awarded Grade **A** for
Labor Security-abiding
Integrity Level

Technological Innovation:

Total research and
development investment

of **RMB61.97** million

Products and Services:

Average customer
satisfaction rate
of **98%**

100% coverage
of employee training

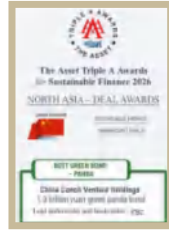
Total **486**
patents granted

Complaint handling
rate of **98%**

1.3.2 Awards and Honors



United Nations Sustainable Development Goals Excellence Award



The 2026 AAA Award of The Asset (Hong Kong), "Best Green Panda Bond"

ESG Development



Environmental Protection



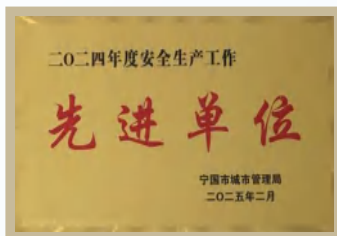
Advanced Unit in Ecological and Environmental Work



Selected as "The Second Batch of Exemplary Cases for Beautiful Cell Construction in Jiangxi Province" with "Turning Waste into Treasure: Dexing Conch Venture's Green Response"



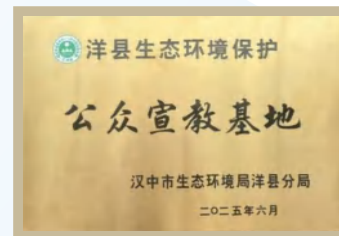
Included in the "Beautiful China, Volunteer in Action - Ecological and Environmental Protection Venue Resources List (First Batch)", Recognized as an "Open Unit for Environmental Protection Facility"



Advanced Unit in Work Safety



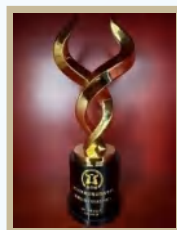
Units with Environmental Protection Facilities Open to the Public



Public Education Base for Ecological and Environmental Protection

Social Responsibility

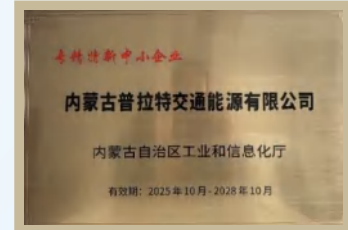
Corporate Governance



2025 Golden Bull Award for Corporate Governance



Advanced Collective



Specialized, Sophisticated, Unique and New Small and Medium-sized Enterprise

Strengthening Foundation to Ensure Stable and Sustainable Development

Conch Venture has always adhered to the concept of sustainable development, continuously improving its governance structure, advancing the diversification of its board composition, and enhancing risk and internal control and information security management. The Group remains committed to integrity as its foundation, enhancing business ethics management system and whistleblower protection mechanisms, deepening stakeholder engagement, and systematically identifying and managing material ESG issues, thereby building a solid foundation for long-term development.

2.1 Deepening ESG Management

Conch Venture deeply integrates sustainable development with corporate governance, establishing a multi-tiered and coordinated ESG management structure. We regularly engage with stakeholders, prudently assess material issues, and promote the close integration of ESG practices with enterprise development.



2.1.1 ESG Governance Structure

Conch Venture has established a clear-structured ESG governance framework with well-defined responsibilities. The Board of Directors bears the highest oversight responsibility. The Strategy, Sustainability and Risk Committee assists in advancing relevant work. The Group's ESG Working Group is led by Mr. Li Daming, a company leader, which coordinates the specific implementation across functional departments and subsidiaries.

To ensure the effective implementation of ESG management, we have incorporated key ESG indicators such as environmental responsibility incidents, work safety, and environmental penalties into the annual performance appraisal system, directly linking them to executive compensation. At the same time, rewards or penalties are imposed on relevant personnel based on ESG performance, forming a management mechanism that combines incentives and constraints, thereby enhancing the Company's effectiveness in sustainable development governance.

ESG Governance Structure

Board of Directors

Review and make decisions on ESG policies and strategies, oversee the implementation of goals and policies, review the process of identifying ESG risks and opportunities, and approve ESG reports.

Strategy, Sustainability and Risk Management Committee

Suggest on medium and long-term development strategic planning, research on ESG-related matters, analyze and assess the ESG risks and opportunities. Continuously supervise of risk control measures, to ensure the effective operation of the risk management system, and review of ESG reports.

ESG Working Group

Coordinate resources to promote the implementation of ESG strategies and objectives, aggregate and analyze ESG Progress and performance of each unit, and provide strategic guidance for the Group's decision-making.

Functions Departments and Subsidiaries

Assist in writing ESG reports, collecting and submitting of relevant data, regularly reporting of ESG work progress to the management, ensuring the effective implementation of ESG risk management and internal control, and enhancing of ESG performance.





2.1.2 Board Statement

Board Duties

The Board of Directors of Conch Venture serves as the highest decision-making and management entity for the Group's ESG governance and is fully responsible for its ESG-related matters. The Board approves and monitors the Group's ESG policies, strategies, objectives and performance in accordance with the regulatory requirements of the HKEX, including key issues such as employee health and safety and environmental protection, so as to ensure the compliance with regulatory standards and good practices.

The Board has a Strategy, Sustainability and Risk Management Committee that is responsible for assisting the Board in managing and supervising ESG-related matters. This committee is also responsible for providing suggestions on the planning of the Group's sustainability policies and strategies, cooperating with the Board to conduct the annual review of major ESG issues, and promoting the integration of ESG risks into the Company's overall risk management system, so as to ensuring that relevant risk control mechanisms provide comprehensive coverage of material ESG issues.

The Strategy, Sustainability and Risk Management Committee is led by Mr. Guo Jingbin, the chairman of the Board, and its members include Mr. Ji Qinying, an executive director, Mr. Lyu Wenbin, a non-executive director, and Mr. Chan Chi On (alias Derek CHAN), an independent non-executive director. For detailed information on the Strategy, Sustainability and Risk Management Committee, please refer to the Terms of Reference of the Strategy, Sustainability and Risk Management Committee of the Board of Directors.¹

Daily Implementation

During the Reporting Period, Conch Venture improved its ESG management efforts in the following three dimensions:

1. Strengthening ESG Governance: The Board of Directors and the Strategy, Sustainability and Risk Management Committee reviewed the annual ESG report and provided guidance to the ESG Working Group on the implementation of specific measures. Led by the Company's ESG Working Group, targeted management was carried out centred on key issues to enhance performance in material ESG areas such as occupational health and safety.

2. Enhancing Target Tracking: Based on established environmental and social goals, the Company tracked annual progress, regularly assessed sustainability performance, and dynamically optimized management strategies based on the assessment results.

3. Deepening Information Disclosure and External Engagement: The Board of Directors actively promoted the Company's participation in internationally recognized ESG ratings (such as MSCI, DJSI, CDP, etc.) and industry exchanges, consistently responding to investors' ESG concerns. The Company also enhanced the quality and transparency of ESG information disclosure through thematic training sessions, reverse roadshows, results briefings and other activities, thereby strengthening two-way communication with stakeholders.

Risk Management

Conch Venture regularly evaluates ESG-related risks and identified such risks based on stakeholders' concerns, and incorporates ESG factors into the overall risk management framework of the Company. The Group's Strategy, Sustainability and Risk Management Committee is responsible for the overall supervision on the Group's risk management, paying sustained attention to risk factors, including ESG issues, and regularly reviewing the Group's risk management programme.

Materiality Analysis

Conch Venture has established a regular communication mechanism with internal and external stakeholders to periodically identify, discuss, and assess ESG issues of concern to them. The Board of Directors, together with the Strategy, Sustainability and Risk Management Committee, takes into account industry dynamics, stakeholder opinions, and international ESG trends to identify and assess ESG issues that have a material impact on the Group. Based on this, the Group formulates its ESG strategy, goals, and management guidelines. The materiality analysis results will be expounded in Section 2.1.4 - Materiality Assessment.

ESG Goals Follow-up

The Board is responsible for regularly evaluating the achievement of the ESG goals, strictly monitoring the progress of the goals, and adjusting management strategies based on results to facilitate the effective achievement of such goals. Meanwhile, the Board has established a transparent communication channel, regularly discloses progress on ESG goals to stakeholders, and fosters multi-party collaboration to jointly advance the achievement of sustainable development goals.

¹ https://www1.hkexnews.hk/listedco/listconews/sehk/2021/0329/2021032901451_c.pdf



2.1.3 Stakeholder Engagement

Conch Venture places great importance on the expectations and concerns of its stakeholders and considers them a key basis for formulating its ESG strategy and management objectives. Based on the Company’s business layout and development strategy, we have identified six categories of key stakeholders and their core issues of concern through internal and external analysis, departmental interviews, and other means. Corresponding communication mechanisms have been established to promptly address the reasonable requests of stakeholders. During the Reporting Period, we continued to engage with stakeholders through various forms of communication, including thematic meetings, surveys, site visits, and online platforms, to listen to and respond to their expectations and concerns, ensuring that our sustainability direction and outcomes remain aligned with their interests.

Stakeholders	Topics of Concern	Engagement Methods
Shareholders and investors	<ul style="list-style-type: none"> • Anti-corruption • Compliance Operations • Greenhouse Gas Emissions • Energy Efficiency • Climate Change Risks • Clean Technology Opportunities • Occupational Health and Safety 	<ul style="list-style-type: none"> • Face-to-face meetings for annual and interim reports and other results publication • General meeting of shareholders • Exchanges with listed companies • Daily communication and exchanges • Questionnaire surveys
Employees	<ul style="list-style-type: none"> • Occupational Health and Safety • Staff Training and Development • Employee Welfare • Child Labor and Forced Labor 	<ul style="list-style-type: none"> • Employee training and activities • Employee satisfaction survey • Internal magazines and information sharing platforms
Government and regulatory authorities	<ul style="list-style-type: none"> • Occupational Health and Safety • Air Emissions • Wastewater Discharge • Hazardous Waste Discharge • Non-hazardous Waste Discharge • Environmental Protection Education • Anti-corruption • Child Labor and Forced Labor • Product Quality and Safety • Water Resource Management 	<ul style="list-style-type: none"> • Government-organized meetings • Announcements, press releases • Annual reports, ESG report • Regular communication • Report approval
Partners and suppliers	<ul style="list-style-type: none"> • Supply Chain Management • Use of Materials 	<ul style="list-style-type: none"> • Surveys and research • Supplier assessments • Supplier training • Supplier audit • Technical training • Daily/online communication
Customers	<ul style="list-style-type: none"> • Customer Privacy • Customer Service 	<ul style="list-style-type: none"> • Professional academic exchanges • Customer satisfaction survey • Customer service hotline • Strategic cooperation

Stakeholders

Social organization

Topics of Concern

- Community Building
- Product Quality and Safety
- Compliance Operations
- Air Emissions
- Wastewater Discharge
- Hazardous Waste Discharge
- Non-hazardous Waste Discharge
- Environmental Protection Education
- Greenhouse Gas Emissions
- Climate Change Risks
- Clean Technology Opportunities
- Water Resources Management

Engagement Methods

- Press releases, announcements
- Public welfare activities
- Corporate public conference
- Official website and WeChat public account
- Media interviews and communication

Deepening Investor Relations and Promoting Value Delivery

During the Reporting Period, Conch Venture carried out regular and multi-level exchanges and interactions with domestic and foreign investment institutions through a series of roadshows, reverse roadshows, field research and other forms. We have conducted nearly a hundred investor research activities, covering nearly 200 investment institutions, effectively conveying the current business operation status and development prospects of the Company, and deeply listening to market feedback, providing important references for management decisions.



Shareholders' General Meeting



On-site Research



Promotion Roadshow



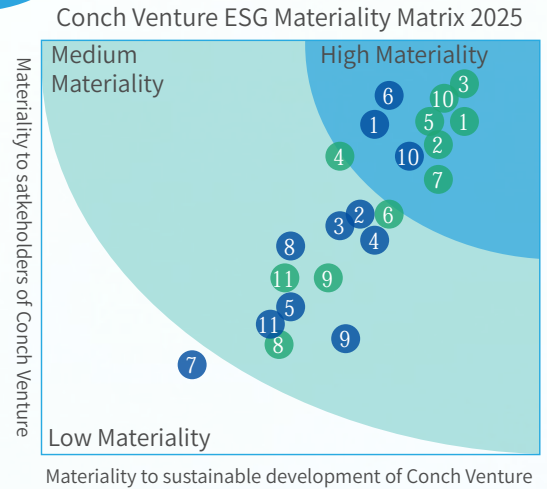
Promotion Roadshow



2.1.4 Materiality Assessment

Based on the actual operation circumstance of the Company and feedback from all parties, we have identified 22 core ESG issues. According to industry standards, professional opinions and management evaluations, we have ranked the materiality of these issues to form a hierarchical management matrix. This matrix has been reviewed and confirmed by the Board and approved. It includes 10 high-materiality issues, 11 medium-materiality issues and 1 low-materiality issues, providing clear guidance for the subsequent advancement of key ESG work.

During the Reporting Period, we have evaluated the results of material issues in combination with the Company’s development dynamics and industry trends, and there are no significant adjustments compared to the previous year. This Report will elaborate on and disclose in detail the key issues among them.



Environmental Issues*

- | | |
|---|---------------------------------------|
| 1.Greenhouse Gas Emissions | 7.Energy Efficiency |
| 2.Air Emissions | 8.Use of Materials |
| 3.Clean Technology Opportunities | 9.Non-hazardous Waste Discharge |
| 4.Water Resources Management | 10.Climate Change Risks |
| 5.Hazardous Waste Discharge | 11.Environmental Protection Education |
| 6.Wastewater Discharge | |

Governance and Social Issues*

- | | |
|---|---------------------------------|
| 1.Anti-corruption | 7. Community Building |
| 2.Employee Training and Development | 8.Product Quality and Safety |
| 3.Employee Welfare | 9.Customer Privacy |
| 4.Child Labor and Forced Labor | 10.Compliance Operations |
| 5.Supply Chain Management | 11.Customers Service |
| 6.Occupational Health and Safety | |

*Bold font for topics of high materiality

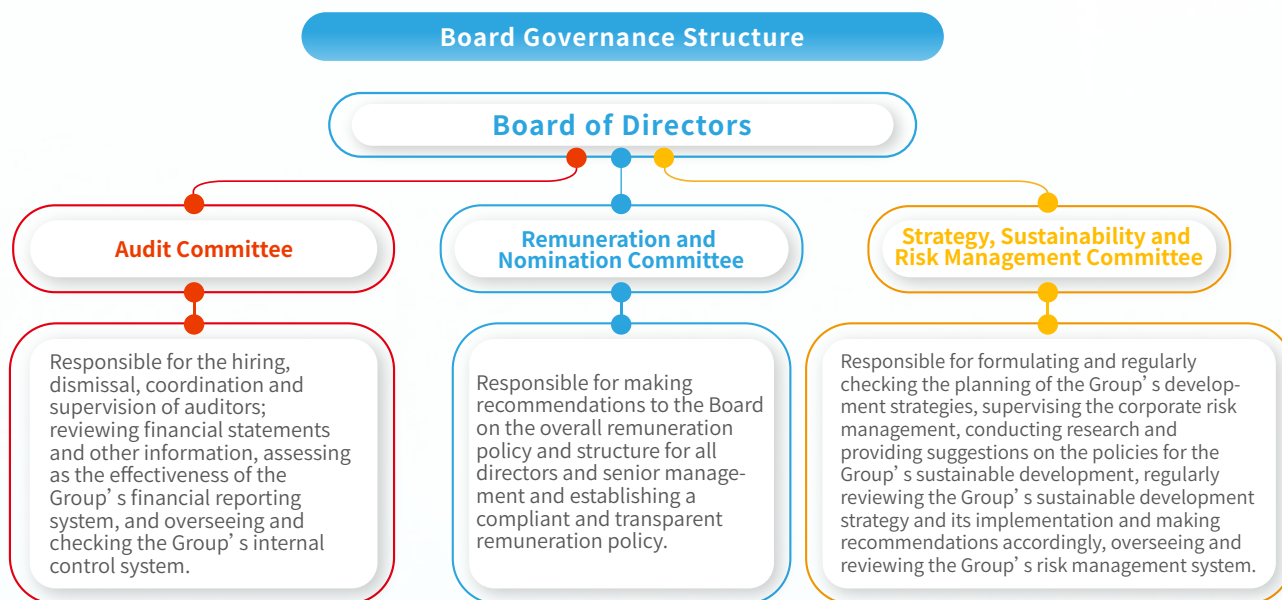
2.2 Reinforcing the Foundation for Governance

Conch Venture regards sound corporate governance as the cornerstone of sustainable development. We are committed to building and continuously optimizing the governance structure of the Board, and promoting the diversification and professionalization of members, thereby supporting scientific and prudent decision-making. At the same time, through systematic risk management, we ensure the stability of operations and the controllability of major decisions, creating sustainable long-term value for all stakeholders.



2.2.1 Board Governance Structure

Conch Venture has strictly complied with the relevant regulatory requirements such as the Corporate Governance Code as set out in Appendix C1 of the Listing Rules of the HKEX, and continuously improved its corporate governance structure. The Group has established a governance system with clear rights and responsibilities and standardized operation. The Board consists of the Audit Committee, the Remuneration and Nomination Committee, and the Strategy, Sustainability and Risk Management Committee. Each of these committees, in accordance with its respective duties, provides support to the Board in its professional field, assists in fulfilling its supervisory and decision-making functions, and works together to ensure the effectiveness of corporate governance and the stability of operations.



2.2.2 Board Diversity

Conch Venture attaches great importance to the diversity of its Board composition and has formulated and implemented the Board Diversity Policy². In the composition and succession planning of board members, the Group comprehensively considers factors such as the candidates' professional skills, industry experience, knowledge structure, cultural background, independence, age and gender, in order to build a board with a comprehensive vision and complementary capabilities, providing a solid professional foundation for the Company's strategic decision-making and effective governance.

Name of Director ³	Committee	Duty	Expertise
Guo Jingbin	Strategy, Sustainability and Risk Management Committee	Executive Director, Chairman of the Board	Industry Experience, Risk Management
Ji Qinying	Strategy, Sustainability and Risk Management Committee	Executive Director, Vice Chairman of the Board, Chief Executive Officer	Industry Experience, Risk Management
Wang Xuesen	-	Executive Director, Executive Deputy General Manager	Industry Experience
He Guangyuan	-	Executive Director, Deputy General Manager	Industry Experience
Wan Changbao	-	Executive Director, Deputy General Manager	Industry Experience
Lyu Wenbin	Remuneration and Nomination Committee, Strategy, Sustainability and Risk Management Committee	Non-executive Director	Industry Experience
Chan Chi On	Audit Committee, Remuneration and Nomination Committee, Strategy, Sustainability and Risk Management Committee	Independent Non-executive Director	Risk Management, Financial Management
Chan Kai Wing	Audit Committee, Remuneration and Nomination Committee	Independent Non-executive Director	Risk Management, Financial Management
Cheng Yanlei	Audit Committee, Remuneration and Nomination Committee	Independent Non-executive Director	Risk Management, Legal Management

² The Board Diversity Policy: http://www.conchventure.com/Public/Uploads/uploadfile/files/20191220/20191220145336_5dfc6ff01cdca.pdf

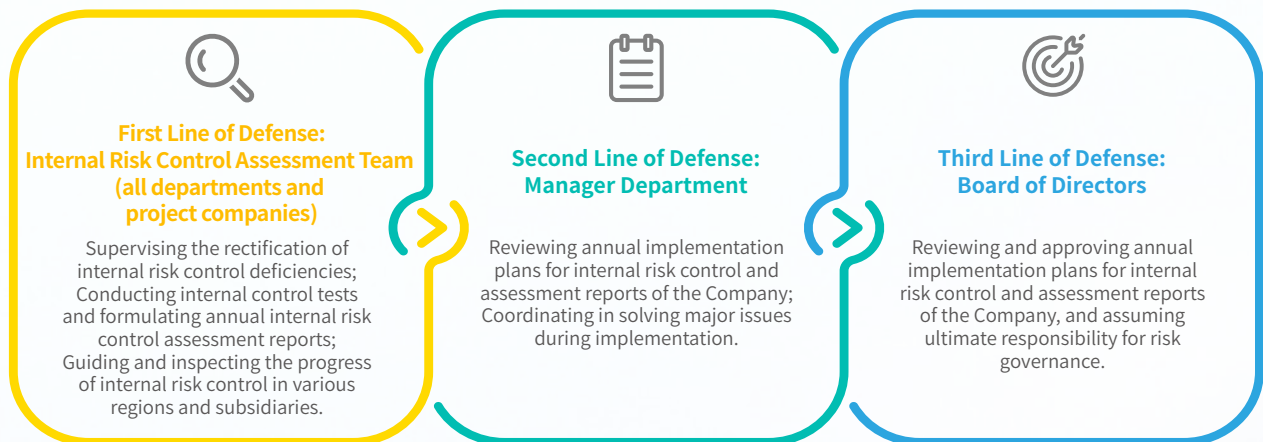
³ Please refer to Section Eight of the Annual Report for detailed biographies of board members



2.2.3 Risk Internal Control

Conch Venture continuously optimizes the top-level design of risk management and control, and has established an internal control compliance system centered on the Administrative Measures for Comprehensive Risk Management, the Administrative Measures for Internal Risk Control Work and the Internal Risk Control Deficiency Handling Protocols. Through regular updates to the Risk Management Manual, the Company provides clear guidance for daily risk management. To deeply implement the Group's internal risk control management requirements, during the Reporting Period, we selected project companies in Wuwei, Ma' anshan and Lujiang to guide them in revising and improving the Project Company Internal Control Manuals based on actual business operations, thereby promoting the effective implementation of the Group's unified internal control framework at the grassroots level.

At the organizational and execution level, in strict compliance with the governance requirements of the Listing Rules of HKEX, Conch Venture has established the risk management goal of "Structural Development, Foundation Consolidation, Standardization, Prioritization, Vertical and Horizontal Coordination, and Quantified Controls", and has constructed a clearly defined "three lines of defense" risk management structure, which is closely integrated with the three-tire business execution mechanism of "departments, regional committees and subsidiaries" to jointly promote the coordination and implementation of risk management responsibilities.



During the Reporting Period, Conch Venture deeply integrated risk management requirements into daily operations through systematic internal control self-assessments, regular internal audit supervision, and continuous risk culture development.

We issued the Notice on Conducting Risk Management and Internal Control Self-Assessment for the First Half of 2025 and completed the annual internal risk control self-assessment covering all project companies, systematically reviewing the effectiveness of risk control in key areas such as finance, compliance, and safety. Based on the self-assessment findings, we formulated targeted rectification plans and transformed internal control requirements into daily operational standards through measures such as revising policies, optimizing processes, and on-site supervision.

In terms of special supervision, during the Reporting Period, we focused on our main business CV Green Energy and conducted nine off-office audits for project companies in five regions, including Wanjiang, Shaanxi-Gansu, and Shandong. The audits identified 52 problems related to contracts, procurement, finance, and taxation, and supervised the implementation of corrective measures. The rectification completion rate for problems identified in the audits reached 96%, effectively strengthening the closed-loop management of internal supervision.

To reinforce employees' risk awareness, the Group regularly conducts training on risk prevention and control. During the Reporting Period, we organized special training sessions at Lujiang Environmental Protection based on risks identified in internal audits, legal disputes, and internal control inspections. These sessions covered key positions in production and finance in the Wanjiang region, effectively enhancing participants' risk identification and response capabilities.



Special Training at Lujiang Environmental Protection

2.3 Practicing Integrity of Governance

Conch Venture regards integrity and compliance as the foundation of corporate operations. By establishing robust business ethics standards, a comprehensive whistleblower protection system, and effective information security management measures, the Company continuously strengthens internal governance and risk prevention, providing a solid foundation for sustainable and responsible development.



2.3.1 Business Ethics

Conch Venture strictly abides by laws and regulations such as the Criminal Law of the People's Republic of China and the Anti-Unfair Competition Law of the People's Republic of China. On this basis, we have formulated internal policies applicable to the Group and all suppliers and contractors, including the Implementation Guidelines for Anti-Fraud Work and the Management Measures of Anti-Money Laundering, establishing a framework for business ethics management. During the Reporting Period, we conducted a comprehensive review of the applicability and practicality of the business ethics policy system in light of the actual operational needs of the Company and the requirements of laws and regulations. Additionally, we supplemented the system by formulating the Management Measures of Anti-Corruption and Anti-Commercial Bribery, applicable to all employees, suppliers, contractors, and other stakeholders of the Group, providing institutional guidance for preventing and managing related risks in business activities.

Management Measures of Anti-Corruption and Anti-Commercial Bribery

Establishing the working principles of “prevention first, combining punishment and prevention, institutional constraints, and full participation”, clarifying that the management and board of directors of the Company are responsible for building an anti-corruption and anti-commercial bribery cultural environment and internal control system, and the Legal Affairs Office serves as the implementing and supervising department, reporting to the management and the Audit Committee under the Board of Directors.

Specifying risk prevention and control measures from education, institutional, and supervisory dimensions, outlining eight specific measures, including integrity commitments, contractual constraints, risk assessments, and inspection & supervision.

Emphasizing the complete process from whistleblowing acceptance and investigation to handling, accompanied by penalty mechanisms for violations and whistleblower protection mechanisms to uphold business ethics standards.

We have established an anti-corruption and anti-fraud governance structure consisting of the Board of Directors, the Strategy, Sustainability and Risk Management Committee, management and specialized institutions, ensuring that relevant responsibilities are clearly implemented at all levels.



The Legal Affairs Office of Conch Venture conducts annual compliance audits covering all operational sites (including off-office audits and regular special audits) and performs a comprehensive audit of each regional company in the main business at least once every three years. During audits, we focus on the implementation of business ethics and anti-corruption policies, communicate integrity reporting channels to employees, and strictly supervise compliance in management and key operational areas to ensure the full implementation of business ethics requirements and policies. During the Reporting Period, no violation of business ethics occurred in the Group's annual audit. We have been conducting promotion and training of an integrity culture for all directors and employees. During the Reporting Period, all employees of the Group signed the Letter of Responsibility for Integrity and the Letter of Commitment to Integrity, and the proportion of employees covered by the Group's code of conduct on business ethics reached 100%. There were no litigation cases related to corruption.

Promotion of an Integrity Culture

The Group continuously conducts regular integrity education and training, ensuring that the compliance of business ethics such as anti-corruption and anti-fraud is implemented by key stakeholders:

For entrants: The Company conducts special education of integrity culture during the introduction training and continues to enhance the professional ethics of employees.

For part-time workers and contractors: We convey the Company's business ethics standards and conduct integrity education for them when signing contracts.

For suppliers and contractors: The Company conducts integrity culture promotion and risk assessment in the bidding process, and requires them to sign the Letter of Commitment to Integrity when signing contracts, and strengthens the integrity during cooperation by various means such as on-site oral education and daily email communication.

To enhance compliance and internal control in key business areas, during the Reporting Period, the Company conducted a special training focusing on the red line of supply compliance and integrity risk prevention in the procurement business and contracts. More than 50 people, including the Company's management, various departments, regions and people in charge of procurement and finance of subsidiaries, attended the training on the site. In combination with laws, rules and regulations, the training focused on core risk areas through in-depth analysis of typical cases both within and outside the industry, enhancing the participants' ability to identify and respond to typical business risks such as business bribery and benefit transfer.



Special training on integrity and compliance for employees



2.3.2 Whistleblower Protection

The Company has implemented internal systems such as the Management Measures of Complaints and Whistleblowing and the Measures for Handling Complaints and Whistleblowing, established the systematic whistleblower protection mechanism, and explicitly specified the whole process of acceptance of whistleblowing, investigation and handling, in order to provide safe and reliable feedback channels for all the internal and external stakeholders.

The Group has established diversified whistleblowing channels according to the system to ensure all employees, suppliers, customers, contractors and other stakeholders can report problems in the form of letters, e-mails, phone calls, text messages, and on-site visits, either with real names or anonymously, in order to guarantee that various violations can be reflected in a timely and effective manner.

Whistleblowing Grading Principle



In terms of whistleblower protection, the Group strictly upholds principles of confidentiality and non-retaliation, supports anonymous reporting, strictly prohibits any units or individuals from interfering, hindering or retaliating against the informant, and ensures full confidentiality of the whistleblower's information and relevant materials throughout the reporting and investigation process. For received whistleblowing, the Group's Legal Affairs Office will categorize and handle them in accordance with regulations, and the implementation will be monitored by the Audit Committee of the Board of the Group to ensure fair procedures and severe handling.

Whistleblowing Handling Process

- 1** When handling complaints and reported cases, an investigation team consisting of at least two staff members will be set up. No member of the team or their relatives shall have an interest in the complaints and reported cases.
- 2** The investigation team is responsible for investigating and verifying reported cases, collecting relevant evidence and making interview records.
- 3** The investigation team shall issue a written investigation report and handling opinions according to the investigation results and submit them to the leaders of the Company for review and signature.



2.3.3 Information Security

Conch Venture attaches great importance to information security and trade secret protection and continues to improve systems and adopts a series of management measures to prevent any potential information security risks. We established and implemented internal management systems such as the Internal Information Security Management Measures and the Extranet Publicity Management Measures, specifying that we should guarantee the data completeness, monitor and respond to security threats, determine all employees' liability for personal information security liability, and comprehensively standardize the information protection.

Based on the policy and system, we have extended the information security requirements to the business cooperation process. In the contracts signed with suppliers and third-party collaborative companies, information security-related clauses have been explicitly included. For instance, the service agreement explicitly stipulates the specific information security obligations that the service provider must fulfill, such as promptly providing product vulnerability fixes and conducting technical maintenance through designated and controllable remote communication channels. We have integrated information security management into the supply chain management to jointly build a secure and reliable cooperative environment.

The Group has established an information security management structure where the General Office serves as the overall coordinator, and each unit's comprehensive management office/office is specifically responsible for the implementation. As the responsible department, each unit's comprehensive management office/office is responsible for the daily maintenance and the prevention, monitoring, reporting and handling of emergencies. After a network security incident occurs in the special project company, an emergency plan must be immediately activated, and the incident must be reported to the general management office as stipulated.

To ensure the effective operation of this structure, we have been continuously taking a series of measures for information security capacity building and regular management, thereby strengthening the overall security defense of the Company.

Awareness-enhancing and daily management of employees

- Promotion of safety standards: The Company regularly issues notices to remind employees to be cautious against emails, links and attachments from unclear sources, standardize the setting and management of the passwords of the corporate accounts, and strengthen the security management of the network equipment and software.
- Systematic training: During the Reporting Period, we organized training on Cybersecurity Situation and Trends for the staff in all the subsidiaries, with more than 300 participants attending the training, which effectively enhanced the risk prevention awareness and ability of personnel from relevant positions.



Information Security Training

Cybersecurity Emergency Response Procedures

- Immediate reporting: Activate the contingency plan immediately after the incident occurs and give a report. For major situations, they must be reported simultaneously to the competent authorities within one hour.
- Handling for loss reduction: Quickly assess the nature, severity and cause of the incident, and take measures to control the impact and reduce the losses.
- Tracing: Cooperate with law-enforcing departments to conduct investigations, evidence collection and information tracking for malicious sabotage activities.
- Rectification and restoration: Take corrective measures, conduct a comprehensive system inspection and restore its operation, in order to prevent the occurrence of similar incidents.





Co-development of green power, win-win in environmental protection

Adhering to a green development strategy and aligning with the national goal of "carbon peaking and carbon neutrality", Conch Venture participated in the construction of a low-carbon circular green development system. Relying on its principal business of environmental protection, we have carried out resource recycling and energy-saving technology renovations, promoting carbon reduction and energy conservation in the production process. With the beautiful vision of "Green Mountains and Rivers Creating a Green Home", we are striving to create a green chapter with harmonious coexistence between humans and nature, with innovation as the engine and responsibility as the foundation.

3.1 Leading Green Development

Over ten years since its listing, Conch Venture has been focusing on its principal business of environmental protection, continuously increasing its investment in clean technologies, and actively expanding its battery's anode and cathode material business and resource recycling business, gradually establishing a green industry system integrating R&D, production and recycling. In 2025, the Company continued to focus on waste disposal, new energy materials, lithium battery recycling and other industries, promoted technological upgrades in all aspects and enhanced synergy to achieve greater efficiency, greatly improving resource utilization efficiency and environmental performance.

Segment	Specific targets
Waste power generation industry	The domestic waste treatment capacity of 25.0 million tonnes/year by the end of 2028.
New energy industry	The production capacity of new energy anode and cathode material of 0.2 million tonnes/year by the end of 2028.
Recycling industry	A development foundation with technological and cost advantages and the operation of at least two mature production lines in combination with market trends by the end of 2028.
Steam industry	The annual external steam sales scale will reach 5 million tonnes, with an annual sales volume of 3 million tonnes by the end of 2028.



3.1.1 Waste Power generation Industry

Faced with the increasingly severe challenge of "waste siege", Conch Venture has deeply rooted itself in the waste-to-energy industry with the mission of improving the living environment and boosting urban sustainable development. The Group has currently promoted and signed a total of 112 contracted projects across 23 provinces, municipalities and autonomous regions in China and overseas, with operating efficiency continuing to improve following project commissioning. Among these, 13 projects under the Group were listed in the top 20 in China by cumulative operating hours per single incinerator in 2025, of which five projects ranked among the top 10, demonstrating outstanding operational excellence and industry leadership. During the Reporting Period, the Group disposed of a total of 16.47 million tonnes of domestic waste, and newly added the Yuanyang, Yunnan and Jingshan, Hubei projects for grid-connected operation.

In 2025, the Company focused on steam external sales business, strived to expand the industrial heating market and built a green heating ecosystem. To seize the opportunities brought by the dual carbon goals, we formulated and issued the Three-Year Special Plan for Conch Venture(CV) Green Energy Steam External Sales (2026-2028), coordinated the promotion of pipeline network construction and customer development, and drove the upgrade of the steam business from auxiliary supporting service to a core value growth driver.

Yuanyang Domestic Waste Incineration Power Generation Project Connected to Grid

The Yuanyang Domestic Waste Incineration Power Generation Project achieved one-time successful grid connection on 16 August, 2025, marking the official commencement of the project's production and operation phase. The project covers the domestic waste disposal needs of Yuanyang County, Honghe County, Lüchun County and surrounding towns and villages. As a key provincial project in Yunnan Province for 2025, the project undertakes regional domestic waste disposal tasks and promotes waste reduction, resource utilization and harmless treatment.



3.1.2 New Energy Industry

The Group has seized the development opportunities of new energy, focused on cathode and anode materials for batteries, continuously strengthened technological breakthroughs and industrial chain synergy, and comprehensively promoted quality improvement and efficiency enhancement of new energy business.

In 2025, the Company fully promoted the transformation of the lithium iron phosphate cathode material project from contract processing to independent production and sales mode. Both unit consumption of raw materials and energy consumption dropped significantly, environmental impact was greatly reduced, and production efficiency and supply chain resilience were simultaneously improved. In addition, the commissioning and operation of the R&D and testing center and energy storage power station have effectively reduced energy costs through self-inspection of products, peak load shifting and self-storage and self-use. Meanwhile, the 50,000-tonne-per-year anode material project boasts a rich product portfolio, including single-particle, secondary-particle and carbon-coated secondary-particle products. The project construction is progressing steadily, and the supply and sales market is being actively expanded.

The Lithium Iron Phosphate Cathode Material Project in 2025

Since the full transformation to the independent production and sales mode in July 2025, the lithium iron phosphate cathode material project has achieved double growth in production and sales scale compared with the same period of last year, with simultaneous improvement in environmental benefits.

- Annual average power consumption decreased by 12% year-on-year
- Unit natural gas consumption decreased by 18% year-on-year
- Unit lithium carbonate consumption decreased by 0.7% year-on-year
- Unit iron phosphate consumption decreased by 0.6% year-on-year

3.1.3 Recycling Industry

Adhering to the development philosophy of "large-scale circular economy", Conch Venture has actively laid out a recycling service network for new energy batteries, set up recycling nodes in major markets, and planned the centralized construction of back-end smelting and extraction centers, striving to build a distinctive benchmark model for the new energy circular industrial chain. We mainly adopt the Cement Kiln Collaborative Disposal (CKB) technology for waste lithium batteries jointly developed with Kawasaki Heavy Industries, Ltd. of Japan to realize resource utilization and harmless treatment of waste lithium batteries.

Major Progress of Recycling Business in 2025

In 2025, through technical renovation, the Wuhu CKB Project set a new record for continuous stable production, with steady improvements in production stability and operational efficiency.

3.2 Deepening Green Management

Conch Venture regards green operation as its core responsibility, establishes and improves environmental management systems and institutional norms. On the basis of ensuring environmental compliance, it strengthens whole-process control and dynamic monitoring and evaluation to effectively reduce the environmental impact of operational activities.



3.2.1 Environmental Management System

Conch Venture strictly abides by laws and regulations including the Environmental Protection Law of the People's Republic of China, the Water Pollution Prevention and Control Law of the People's Republic of China, the Atmospheric Pollution Prevention and Control Law of the People's Republic of China and the Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Wastes, continuously follows up on local environmental protection policies and implements relevant requirements. We have established a dynamic tracking mechanism for laws and regulations and continuously optimized the environmental management system through regular interpretation, special seminars, training and publicity, and assessment and evaluation.

We have formulated systems including the Hazardous Waste Management System, the Environmental Protection Facility Operation Management System, the Sewage Outlet Standardization Management System, the Environmental Self-Monitoring and Supervisory Monitoring Management System and the Pollutant Emission Management System to standardize environmental management behaviors in operation.

To further deepen the green transformation, we have set targets in water resource management, energy utilization and waste management, and made corresponding progress during the Reporting Period.

Environmental Objectives

Water resource management	Reduce water resource consumption and strictly control sewage discharge.
Energy utilization	Reduce the use of traditional energy, improve energy efficiency, and promote the continuous reduction of unit energy consumption.
Waste disposal	Strengthen solid waste management and implement standardized disposal processes.

On the basis of environmental compliance management, we have continuously strengthened environmental impact audit supervision and employees' environmental capacity building and promoted the upgrading of the environmental management system. As of the end of the Reporting Period, 13 subsidiaries of Conch Venture had obtained ISO 14001 Environmental Management System certification, demonstrating the continuous improvement of environmental governance capacity.

Environmental Management Measures

Environmental Approval and Compliant Operation

- Projects strictly implement the "assessment before construction" requirement for project approval, and construction can only be initiated after obtaining the environmental impact assessment approval.
- Adhere to the principle of "qualified acceptance and operation with a certificate" to ensure projects are put into operation after completing environmental protection acceptance.

Environmental Impact Audit Supervision

- Strictly implement self-monitoring requirements and standardize the filling of environmental management ledgers.
- Entrust qualified third-party institutions to dispose of solid waste in a timely and compliant manner.
- Promote a regular inspection mechanism for environmental protection facilities, establish complete operation ledgers and realize closed-loop controllable equipment management.

Special Environmental Protection Training

- Carry out targeted professional training based on post requirements.
- Organize special environmental protection training for senior executives, focusing on studying the Guiding Opinions on Strengthening Environmental Governance of Hazardous Waste and Strictly Preventing and Controlling Environmental Risks, and sharing advanced safety and environmental management practices combined with industry-leading experience.

Sharing of Advanced Senior Executive Environmental Management Experience

In 2025, Conch Venture held two Environment, Health and Safety Management Committee (abbreviated as EHS Management Committee) meetings, carrying out special seminars on the Guiding Opinions on Strengthening Environmental Governance of Hazardous Waste and Strictly Preventing and Controlling Environmental Risks, and sharing advanced environmental management experience of Hunan-Jiangxi, Guangxi and Yunnan regions, promoting inter-regional management synergy and risk prevention and control capacity improvement.



3.2.2 Environmental Impact Regulation

In accordance with the Hazardous Waste Storage and Pollution Control Standard, the Technical Specification for Setting Identification Signs of Hazardous Waste and the Technical Guideline for Field Supervision and Inspection of Domestic Waste Incineration Plants with Power Generation, Conch Venture introduced the Special Patrol Requirements for Safety Protection of Filling Steam Lines and established the Safety Protection Patrol Issue Log for Filling Steam Lines to continuously enhance the standardization of management. During the Reporting Period, all of the Group's projects had obtained discharge permits, and the operational compliance rate reached 100%.

Environmental Risk Identification and Control

Excessive wastewater discharge environmental risk

- ▶ Formulated the Circular on Strengthening the Management of Environmental Inspections
- ▶ Conducted focused inspections on key nodes for wastewater discharge including anti-seepage systems, ammonia water pipelines and sludge dewatering rooms

Liquid material leakage risk

- ▶ Strengthened the management of the unloading process and installed liquid material collection devices at unloading points

Foul gas emission risk

- ▶ Replaced the PVC (polyvinyl chloride) pipes of the deodorization air ducts in the regulation tank with stainless steel pipes
- ▶ Replaced deodorizers with large air volume

Waste storage and transportation risk

- ▶ Put forward specific requirements for source control, on-site fixed-point storage and patrol inspection in accordance with the Emergency Disposal Procedure for Sudden Fire in Garbage Pits
- ▶ Regularly maintained the waste storage protection system
- ▶ Optimized the waste transportation routes
- ▶ Equipped storage tanks with load capacity marks and scientifically designed the capacity of storage tanks

Flue gas treatment risk

- ▶ Strictly controlled the dosage of denitration ammonia water
- ▶ Carried out patrol inspections of the injection system to ensure the stable operation of equipment

Leachate treatment risk

- ▶ Configured standby machines for key facilities and implemented dual-power supply guarantee
- ▶ Conducted groundwater monitoring in strict accordance with anti-seepage zoning standards
- ▶ Conducted regular equipment maintenance

We proactively responded to the evolution of environmental risks, promoting forward-looking upgrades to environmental risk identification and prevention and control. In the project initiation phase, we clarified the environmental responsibilities of the construction party and implemented pollution prevention and control measures to reduce the environmental impact of construction from the source. During the construction period, we entrusted a third party to carry out environmental supervision, achieving dynamic monitoring throughout the entire process. In the operation phase, we strictly complied with national monitoring requirements, conducting regular quality inspections of surrounding noise, atmosphere, groundwater and soil to minimize the potential environmental impact of operational activities.

The Group placed significant emphasis on emission control, urging all subsidiaries to identify pollution sources, formulate monitoring strategies for key indicators and implement process controls to mitigate the adverse environmental impact of emissions. In 2025, Conch Venture recorded no environmental compliance violations.

Pollutant Discharge Self-Monitoring Requirements

Pollution Source Tracing

Systematically sort out pollutant discharge nodes, assess their impacts on the surrounding environment, and achieve accurate identification and targeted control.

Scientific Monitoring Point Layout

Set up monitoring points in a scientific manner and equip with online monitoring equipment, covering key links such as total discharge outlets and inlets and outlets of treatment facilities.

Compliance Control

Strictly enforce national and local discharge standards, implement special control requirements, and ensure stable compliance with discharge standards.

List-based Management

Refine the list of monitoring items in accordance with Environmental Impact Assessment (EIA) approval documents, industry specifications and permit requirements, and implement strict standard-based management.

Reasonable Monitoring Frequency

Reasonably determine the monitoring frequency in light of pollutant characteristics, emission rules, permit requirements and EIA documents to improve the timeliness of control.

Standardized Monitoring

Strictly follow national technical specifications, unify monitoring methods and operating procedures, and ensure the authenticity, accuracy and traceability of data.



3.2.3 Biodiversity Protection

We strictly adhered to the ecological protection red line, integrating biodiversity protection concepts into the full-cycle management of projects. Through measures such as biodiversity impact assessments, we proactively avoided ecologically sensitive areas, reduced disturbance to natural ecosystems and promoted the synergy between industry and the environment.

Guided by the Convention on Biological Diversity and the Kunming-Montreal Global Biodiversity Framework, we implemented the requirements of the Opinions of the General Office of the CPC Central Committee and the General Office of the State Council on Further Strengthening Biodiversity Protection adhering to the commitments to biodiversity protection and no-deforestation, and deeply integrating ecological protection concepts into all aspects of production and operation.



Yingjiang Protection Environmental Protected an Ancient Banyan Tree

During the construction of a new project in Yingjiang Protection Environmental, we identified an ancient banyan tree nearly 500 years old on the original site. To protect this valuable ecological heritage, we optimized the production line layout and plant planning to avoid the core growth area of the ancient banyan tree, protecting its root system and canopy and minimizing damage during construction. Throughout the project implementation, the growth status of the ancient banyan tree remained stable, effectively protecting ecological integrity.



3.3 Optimizing Emission Management

Conch Venture integrated ecological protection into its corporate development strategy, driving green transformation through technological innovation and continuously improving pollution control capabilities. Adhering to the concept of green development, we did not pursue short-term growth at the expense of the environment. We actively promoted pollution prevention and emission reduction, accelerating the Company's development in a more low-carbon and more sustainable way, thereby contributing to the advancement of ecological civilization.



3.3.1 Control of Air Emission

Conch Venture strictly implemented emission control standards, requiring stable flue gas emissions to meet ultra-low emission requirements. We strictly enforced regulations such as the Pollution Control Standard for Domestic Waste Incineration, the Pollution Control Standard for Cement Kiln Co-Disposal of Solid Waste and the Comprehensive Emission Standard for Air Pollutants and implemented the monitoring requirements of the Technical Self-Monitoring of Pollutant Discharge Units – Solid Waste Incineration (HJ 1205-2021). We conducted normalized air emission self-monitoring and submitted pollutant discharge permit implementation reports on time. We established internal systems such as the Air Emission Management System, the Pollutant Discharge Management System and the Environmental Self-Monitoring and Supervisory Monitoring Management System to build a comprehensive air emission management system.

A Series of Measures for Waste Gas Emission Reduction

Objective-based Management of Waste Gas Emission

- Ensure the achievement of annual targets by decomposing the annual waste gas control targets into three-level quantitative indicators (daily, weekly and monthly) step by step;
- Each subsidiary conducts regular statistical analysis of pollutant emissions.

Dynamic Total Control of Pollutant Emission

- Adjust the intensity of pollutant emission in real time according to the early warning of the central control system;
- Reduce NO_x emissions by improving denitrification efficiency, such as optimizing furnace temperature, improving ammonia water quality and regulating injection temperature;
- Strengthen slaked lime management by regulating the operating parameters of the semi-dry desulfurization tower, including atomizer speed, slurry volume and slurry concentration;
- Regularly inspect the condition of wall deposits in the reaction tower to improve desulfurization efficiency and reduce SO₂ emissions.

During the Reporting Period, Conch Venture updated and implemented multiple experimental air emission treatment technologies to advance environmental technology upgrades.

High Polymer Denitrification Process with Synergistic Reduction Method

We employed a high polymer denitrification process by injecting composite denitrification agent granules, comprising modified amines and catalytic substances, into boilers to achieve efficient reduction of NO_x. The denitrification agent thoroughly mixes with flue gas, generating N₂, H₂O, and CO₂—all harmless gases—at a reaction temperature of approximately 880°C. This process does not introduce heavy metals, boasts high denitrification efficiency, and effectively reduces NO_x emission concentrations in flue gas.

Efficient Treatment of VOCs in Paint Spraying Exhaust

To address VOC emissions from paint spraying rooms, we have replaced the activated carbon in the ternary catalytic equipment, keeping VOCs emissions controlled within 20mg/m³. In addition, operators monitor data in real-time, halting operations immediately upon detecting anomalies to achieve closed-loop control throughout the emission process, thereby effectively enhancing VOC treatment efficiency and environmental management refinement.

Odor Control and Energy Efficiency Synergy

In new projects, we drew on mature experience from the waste incineration power generation industry and optimized the design of boiler and flue gas system enclosures based on local outdoor ambient temperature characteristics, adopting an open-air layout to reduce building energy consumption and heat loss. Meanwhile, we implemented negative pressure operation in waste collection and storage system (including unloading halls and waste bunkers) and leachate treatment system, preventing odor leakage through sealed collection and directional exhaust, safeguarding ambient air quality. These measures work in tandem to effectively control malodorous gases, enhance system energy efficiency, and support green, low-carbon project operation.



3.3.2 Wastewater Discharge Management

Conch Venture strictly complies with laws and regulations such as the Water Pollution Prevention and Control Law of the People's Republic of China, implementing categorized collection and standardized treatment of wastewater from various sources, including landfill leachate, domestic sewage, and cleaning wastewater, and enforcing whole-process management measures to ensure stable compliance of effluent.

Subsidiaries of the Group actively pursue wastewater reduction initiatives, such as implementing zero wastewater discharge management in waste incineration power generation projects, enhancing water resource reuse rates, and reducing total external discharge. For example, Yangzhou Haichang equipped a dedicated sludge vacuum truck to treat domestic sewage from vessels, which is then reused in the production purposes. Additionally, Anhui CV New Energy constructed secondary sedimentation wastewater treatment facilities, with treated production wastewater being discharged into the municipal pipeline network after meeting the discharge standards for resource utilization and compliant discharge.

Series of Wastewater Reduction Measures

Wastewater Reuse

We utilize circulating cooling wastewater for flue gas desulfurization lime slurry preparation and fly ash solidification, achieving water resource reuse.

Water Quality Treatment Device Addition

We install raw water treatment, reclaimed water treatment, and concentrated water reduction devices to conserve water resources and reduce wastewater discharge.

Online Monitoring and Intelligent Control Dosing Technology for Circulating Cooling Water

We have promoted the application of online monitoring and intelligent control dosing systems for circulating cooling water across multiple projects to optimize water quality management. This system integrates monitoring functions for reagent concentration, pH, ORP (oxidation-reduction potential), conductivity, and corrosion rate, precisely controlling dosing amounts through fluorescence sensing technology to maintain reagent concentrations between 44-46ppm, with fluctuations controlled within $\pm 1\text{mg/L}$. It supports remote monitoring and 4G connectivity, enabling managers to grasp operational status in real-time via mobile or PC terminals and promptly alert anomalies. The system can also automatically control drainage based on concentration factors, effectively reducing water consumption and reagent waste.

3.3.3 Solid Waste Management



Conch Venture implements whole-process management of waste in accordance with laws and regulations such as the Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Waste and the National Directory of Hazardous Wastes, covering generation, classification, storage, and disposal stages. Furthermore, we establish waste inventories, enforce categorized storage and compliant disposal requirements, and promote the implementation of resource utilization projects.

We implement waste classification management, with domestic waste uniformly collected and disposed of by sanitation departments. Hazardous waste (such as used oil and waste cloth bags) is centrally stored in compliant hazardous waste warehouses and entrusted to qualified third-party entities for legal disposal. We entrust qualified units to dispose of waste lead-acid batteries in compliance with the National Directory of Hazardous Wastes, achieving resource utilization.

We continuously advance the joint-disposal of municipal sludge, distiller's grains sludge, and kitchen waste, alleviating operational pressure on regional wastewater treatment facilities. Simultaneously, we actively collaborate with local governments to dispose of special wastes such as medical microwave residues and counterfeit goods, reducing secondary environmental risks at landfills. In terms of resource utilization, we implement fly ash resource utilization and bottom ash comprehensive utilization, using related products in building materials production and road engineering to reduce natural resource extraction and enhance resource utilization efficiency.

Waste Lubricating Oil Downgrading and Reuse

We implement a "same-system downgrading and reuse" strategy for waste lubricating oil in solid waste management. After testing waste lubricating oil from large main air compressors, we entrust qualified hazardous waste resource utilization units to refine and process it into regenerated lubricating oil. The regenerated lubricating oil is used in-house for small air compressors, such as bag filter dust removal equipment, which operate under low loads and mild conditions, meeting the requirements for regenerated oil use. Through this "testing-regeneration-downgrading use" graded utilization model for waste lubricating oil, we reduce resource consumption and hazardous waste generation.

Reuse of Idle Buildings of Anhui New Material

We lease idle factories and land in the projects of Anhui New Material to partners meeting green industry admission requirements, achieving efficient asset utilization. Through standardized lease management and compliant operation, we not only reduce resource idleness and maintenance costs but also promote regional industrial synergy and green space redevelopment.



3.3.4 Construction Dust and Noise Management

Conch Venture attaches great importance to environmental impact control during project construction periods, focusing on dust and noise governance in strict compliance with environmental protection regulations and local standards. During the construction phase, we fully implement environmental impact assessment requirements, controlling construction dust diffusion and reducing noise pollution through regular water spraying for dust suppression, road sweeping, and enclosed material transportation, minimizing impacts on the surrounding ecological environment.

Series of Dust and Noise Management Measures

Construction Site Dust Management

- We equip construction sites with mobile fog cannons and conduct regular water spraying operations;
- We transport soil, slag, sand, gravel, and construction waste using enclosed vehicles or fully covered protection, use high-density dust screens to tightly cover exposed soil, temporarily stored construction waste, and sand and gravel materials to prevent spillage;
- We set up hard barrier fences around construction sites for fully enclosed management.

Dust and Wastewater Synergistic Control

- We optimize spray systems at key locations such as belt conveyors, hoppers, and chutes, and install loading machine belt windshields to reduce dust generation during operations;
- We set up mobile mechanical wheel washers at stockyard entrances and exits to minimize vehicle mud track;
- We equip dock areas with fog cannons for spray dust suppression;
- We collect rainwater and wastewater for reuse in stockyard spraying.

Construction Noise Control

- We prohibit high-noise operations from 22:00 to 6:00 the next day and during lunch breaks from 12:00 to 14:00;
- We regularly maintain construction equipment and lubricate mechanical parts to reduce abnormal noise caused by looseness or wear;
- We set up enclosed soundproof sheds or mobile soundproof barriers;
- We concentrate on high-noise operation areas such as steel processing yards and carpentry sheds in the central part of construction sites, away from noise-sensitive areas like residential zones, schools, and hospitals.

Special Task Force for "Fly Ash Reduction"

In 2025, we established the "Fly Ash Reduction" Special Task Force, focusing on the management of fly ash and construction dust. For projects with high ash generation rates, we implemented operational optimizations—including flue baffle adjustments, precision air volume control, and increased soot-blowing frequency—to minimize fly ash production. During the Reporting Period, the fly ash rates of 54 operational projects of the Group decreased year-over-year. Among them, the fly ash rate of the Wuwei Project was reduced to 1.65%, and that of the Yiyang Project dropped to 2.28%.

Upgrading Pathways for Fly Ash Resource Utilization

We have continuously advanced the transition toward fly ash reduction and resource recovery. Our disposal method has been upgraded from traditional chelation and solidification for partitioned landfilling to the "washing + cement kiln co-processing" technology. By partnering with professional resource utilization units for high-efficiency processing, we have significantly reduced our landfill dependency. Concurrently, through active market research and collaborative exploration, we secured a temporary disposal agreement with a ceramics factory in Tongren. This initiative has promoted the use of fly ash as an auxiliary raw material for ceramic production, successfully achieving a circular resource loop.

3.4 Practicing the Philosophy of Conservation

Conch Venture has consistently upheld the principles of resource conservation and circularity, integrating efficient resource utilization into its business management processes. Through process optimization and technological innovation, we have actively explored resource recovery pathways, promoting the reuse of waste materials and the conversion of waste heat into energy.



3.4.1 Efficient Use of Water Resources

Conch Venture strictly adheres to regulatory requirements, including the Water Law of the People's Republic of China and the Regulations on the Administration of the Licensing of Water Drawing and the Levy of Water Resource Fees. We have ensured that all water extraction and usage are compliant, scientific, and rational through the approval of annual Project Water Resource Justification Reports. The Group's water consumption encompasses municipal supply, treated reclaimed water, and surface water, primarily used for office life, circulating cooling, and fire protection. In seasonally arid regions, we have obtained groundwater extraction permits in accordance with the law, ensuring rational usage to support stable project operations while prioritizing ecological water requirements. Furthermore, our new projects have been equipped with water and steam flow meters to achieve real-time data collection.

During the Reporting Period, Conch Venture actively advanced several water reclamation projects, achieving cascade utilization and recycling of wastewater, which significantly enhanced water use efficiency.

Wastewater Resource Utilization

Cascade Reuse of Concentrated Water and Production Wastewater

We have implemented the reuse of concentrated water and the recycling of wastewater. Concentrated water generated during the preparation of purified water, after being tested to meet the required standards, is directionally diverted for on-site floor cleaning and integrated into the plant's toilet flushing system to replace municipal water. Production wastewater, after advanced purification through the on-site sewage treatment system, is diverted to the greenery irrigation network, effectively reducing fresh water consumption and significantly lowering wastewater discharge.

Recycling of Hydrostatic Testing Water for Pressure Vessels

We have continued to drive water conservation and recycling. Used testing water is centrally collected and fed into the sewage treatment system, where it is purified and then recycled through pipelines and storage tanks. In 2025, the original planned water consumption of Haichuan Energy Saving was 680 m³, which was reduced to an actual usage of 68 m³ after using this technology, achieving a water-saving rate of 90%.

High-Efficiency Cooling Tower Circulation

Total Wastewater Reclamation and Intelligent Control

In 2025, 95% of the Group's projects achieved full wastewater reclamation and zero liquid discharge. Even in projects where discharge is permitted by Environmental Impact Assessments, we prioritized the use of reclaimed water to reduce fresh water intake. We deployed automated chemical dosing systems and online water quality monitoring equipment for circulating cooling water, enabling precision dosing and dynamic quality regulation. This measure has enhanced the stability of circulating water systems, increased reuse cycles, and minimized the environmental load on water bodies at the source.

Multi-stage Purification and Reuse of Circulating Cooling Water

We integrated side-stream filtration units such as sand filters and self-cleaning filters to remove suspended solids, silt, and microbial slime from the circulating water, improving water quality stability. For high-hardness water sources, we implemented sodium ion exchange softening systems to reduce calcium and magnesium ion concentrations and prevent scaling. Simultaneously, a combined sterilization technology using sodium hypochlorite and ultraviolet light was adopted to control microbial growth. The treated water is used as makeup water for cooling towers, achieving multi-stage purification and reuse.

Reuse of Boiler Blowdown and Flash Steam Condensate

We have continuously advanced the efficient reuse of multi-source wastewater and waste-heat condensate. Boiler blowdown is treated and then conveyed to the flocculant preparation system, replacing municipal water. The autoclave flash steam recovery system has achieved full recovery of flash steam condensate for use in system makeup water. Additionally, our Waste-to-Energy projects have consistently reused treated leachate effluent and concentrated water from deaerator feed-water preparation as cooling tower makeup water, saving approximately 3.8 million m³ of external water annually.



3.4.2 Reduction of Material Usage

Conch Venture has strengthened the precise control of raw materials in production, optimizing packaging schemes and material configurations. We have focused on reducing resource inputs at the source of the process to effectively control waste generation and continuously drive resource conservation and high-efficiency utilization.

Raw Material Reduction and Circular Utilization

Reduction of Raw Material Input

We have advanced raw material reduction and resource efficiency. The lithium iron phosphate cathode material project established a dynamically updated Bill of Materials, enabling precise weighing and scientific procurement planning to effectively minimize material usage.

Application of Light-Pressed Boards and Recycling of Sanding Dust

We have optimized product formulas and innovatively adopted light-pressed boards to replace traditional pressure boards, reducing product density and thickness. We have centrally recovered sanding dust and, through waste recycling, achieved a reduction in the volume of production waste discharge.

Rational Use of Packaging Materials

We upgraded the original sleeve and sheet films to thinner stretch films, effectively reducing packaging material consumption. Simultaneously, we optimized the thickness and width of packing straps to lower material costs. For packaging containers of auxiliary materials such as lubricating oil, defoamers, and flocculants, we have established a recovery mechanism, handing them over to professional recycling enterprises for cleaning, refurbishing, and reuse. This has achieved a circular loop for packaging containers and tangibly reduced the generation of packaging waste.

3.5 Tackling Climate Change

Against the backdrop of growing global climate challenges, Conch Venture actively engages in global climate governance processes, proactively identifies relevant risks and opportunities, and develops targeted response strategies to continuously strengthen operational resilience. While advancing its climate response capabilities, the Company truly fulfills its responsibility and mission to drive green and low-carbon transformation.

3.5.1 Governance

Conch Venture has established a three-tier ESG governance structure consisting of the Board of Directors, the Strategy, Sustainability and Risk Management Committee, and the ESG Working Group, into which climate change governance responsibilities are integrated. The Board of Directors serves as the highest decision-making body for climate change-related matters, responsible for deciding on and reviewing relevant policies, strategies, and targets, as well as reviewing the outcomes of climate risk and opportunity identification. Under the authority of the Board, the Strategy, Sustainability and Risk Management Committee studies ESG development strategies, coordinates the management of climate-related work and risk prevention and control, and analyzes and assesses climate change-related risks and opportunities. The ESG Working Group is responsible for implementing climate change-related strategies and targets, carrying out the identification and monitoring of climate-related risks, and regularly reporting progress to the Strategy, Sustainability and Risk Management Committee.

3.5.2 Strategy

We conduct identification of climate-related risks and opportunities in accordance with the framework of the Task Force on Climate-related Financial Disclosures (TCFD), the International Financial Reporting Standard (IFRS) S2 Climate-related Disclosures, and the Part D: Climate-related Disclosures of the Appendix C2 to the Listing Rules of the HKEX, and develop differentiated response strategies accordingly. To gain a more systematic understanding of the potential impacts of climate change on our business, we utilized scenario analysis models under different warming scenarios during the Reporting Period, to further identify and assess the physical risks and their levels of impact facing our core waste-to-energy business segment in the short, medium, and long term.

We conduct scientific physical risk assessments based on the RCP2.6 and RCP6.0 climate scenarios of the Intergovernmental Panel on Climate Change (IPCC). Considering our business development plans, global climate trends, and shared goals, we set the assessment scope of our climate scenario analysis to the short term (one year, ending in 2026), the medium term (five years, ending in 2030), and the long term (ending in 2050).

Selection of physical risk scenarios	Scenario description
RCP2.6	This scenario requires global greenhouse gas emissions to reach net zero around the middle of this century, representing an ideal pathway for limiting the global temperature rise to within 2°C above pre-industrial levels by the end of this century.
RCP6.0	This scenario assumes that countries implement limited climate policies and emission reduction measures, with global carbon dioxide emissions continuing to increase; the temperature rise is projected to reach between 3°C and 4°C by 2100.

To assess the likelihood of various physical risks occurring and the potential magnitude of their impact on the Group's waste-to-energy projects, we have introduced external authoritative risk data platforms, such as the World Wide Fund for Nature (WWF) Risk Filter Suite and the ETH Zurich CLIMADA typhoon modeling toolkit, to quantitatively analyze the proportion of waste-to-energy projects located in high-risk areas, thereby measuring the overall impact of physical risks on the operations of the waste-to-energy sector.

The extent of impact on waste-to-energy projects under different climate change scenarios⁴

	RCP2.6			RCP6.0		
	Short-term	Medium-term	Long-term	Short-term	Medium-term	Long-term
Floods	Low	Low	Low	Low	Moderate	Moderate
Typhoons	Low	Low	Low	Low	Low	Low
Water resource pressure	Low	Low	Low	Low	Low	Low

⁴ Climate scenario analysis is not a forecast of future conditions, but rather a tool used to illustrate how climate change-related risks may affect our business, response strategies, and financial performance over time. The impact levels are categorized as follows: low impact, where less than 10% of projects are located in high-risk operating locations; moderate impact, where 10% to 50% of projects are located in high-risk operating locations; and high impact, where more than 50% of projects are located in high-risk operating locations.

During the Reporting Period, we conducted a comprehensive assessment of the impacts of climate-related risks and opportunities on current financial position, financial performance, and cash flows. Based on existing analyses and relatively comprehensive response measures, it is anticipated that these factors will not result in material adjustments to the carrying amounts of assets and liabilities in the next reporting period. Given the Group's operating model, we assess that the Group is primarily affected by the opportunities brought by climate change, namely the operating income from sectors such as waste-to-energy and new energy, while the risks posed by climate change have a relatively minor overall financial impact on both current and expected performance.

To further refine our climate management framework, we have updated the projected financial impacts of climate risks and opportunities likely to affect our core waste-to-energy business, building upon our existing inventory. During the Reporting Period, we have continued to refine our response measures for various climate risk and opportunity scenarios, taking into account our operational realities and future development needs, thereby continuously enhancing our climate resilience and business resilience.

Risk/ opportunity category		Description of risks and opportunities	Potential financial impact ⁵	Period of impact	Response measures
Physical risks					
Acute risk	Floods	Conch Venture's buildings and operational facilities may be damaged by floods and typhoons; waste collection and transport routes may be disrupted by floods and typhoons, affecting daily operations; such operational disruptions may in turn impact operating revenue.	Rising operating costs Declining revenue	Short-term Medium-term Long-term	Conch Venture has taken out property insurance and machinery breakdown insurance for the Group's operational machinery and equipment to transfer potential financial risks. We have implemented a comprehensive preventive maintenance program to identify and eliminate equipment safety hazards in advance.
Acute risk	Typhoons				
Chronic risk	Water resource pressure	Conch Venture faces significant challenges to continuous operations due to increasingly unstable water supply caused by changes in hydrological patterns at its operating sites, coupled with high water demand for cooling during project operations, posing certain risks.	Rising operating costs	Long-term	Conch Venture will continue to optimize its multi-source water supply system and promote measures such as rainwater collection and reuse to reduce reliance on a single water source; concurrently, it will carry out water risk identification and scenario simulation, improve contingency plans, and comprehensively enhance its resilience and response capabilities in addressing water-related pressures in advance.
Transition risks					
Policy and Law	Regulatory and disclosure compliance challenges	In 2023, the Hong Kong Stock Exchange issued the Guidance on Climate-related Disclosures under the Enhanced Environmental, Social and Governance Framework, explicitly requiring issuers to systematically disclose climate-related information with reference to the TCFD recommendations and the climate standards of the International Sustainability Standards Board (ISSB); failure to make compliant disclosures may lead to regulatory scrutiny and affect corporate reputation.	Rising compliance costs	Medium-term Long-term	Conch Venture will improve its comprehensive carbon emission monitoring system and strengthen standardized management of environmental information disclosure

⁵ The results of the potential financial impact analysis are based solely on current external trends and internal management measures, and do not represent the final actual results; they are for reference only in assessing management priorities.

Risk/opportunity category		Description of risks and opportunities	Potential financial impact	Period of impact	Response measures
Technology	The costs of the transition to low-emission technologies	As global carbon neutrality targets accelerate, Conch Venture needs to invest more funds in low-carbon and energy-efficient equipment and technologies to expedite its low-carbon transition, resulting in a significant increase in operating and capital expenditures.	Rising operating costs Rising asset costs	Medium-term Long-term	Conch Venture will map out its transition pathway, prioritizing high-return energy-saving projects; it will actively introduce green financial instruments to reduce financing costs for technological transformation.
Opportunities					
Sustainable Energy and Waste Management		With the national dual-carbon strategy advancing and regional energy structure transformation accelerating, policies supporting the resource utilization of waste were strengthened. This provided clear policy guidance and a sustainable development path for Conch Venture to replace fossil fuels with waste-to-energy incineration and to promote low-carbon upgrading of the energy structure.	Revenue increase	Medium-term Long-term	Conch Venture deepened waste-to-energy and thermal energy utilization technologies, expanded resource recovery application scenarios, and promoted the conversion of waste into energy and materials. Meanwhile, by strengthening technology integration and industrial chain collaboration, it enhanced sustainable energy supply capacity and resource circulation efficiency.
Change in Customer Behavior		Customers' pursuit of low-carbon lifestyles increased, raising expectations for clean and efficient urban solid waste management. Waste-to-energy incineration, with its advantages in reduction, resource recovery, and energy generation, was increasingly recognized by the public as a sustainable solution, creating favorable conditions for Conch Venture to expand green infrastructure in emerging markets.	Revenue increase	Short-term Medium-term Long-term	Conch Venture strengthened public communication and transparent operations through open days, environmental campaigns, and data disclosure to improve public understanding of incineration technology. In areas with weak environmental infrastructure, projects were implemented according to local conditions, leveraging technological advantages and green value to gain market recognition and public support.
Energy Source		The State issued the Notice on the Full Coverage Implementation of Renewable Energy Green Power Certificates to Promote Renewable Energy Power Consumption, implementing a green power certificate system nationwide. The mechanisms for green power trading and consumption became increasingly standardized, providing policy support and market opportunities for Conch Venture to obtain renewable energy, optimize its energy structure, and participate in the green power market.	Revenue increase Operating cost reduction	Medium-term Long-term	Conch Venture actively responded to green power policies by applying for and trading green certificates, and participating in the green electricity market to promote large-scale adoption of clean energy.

Climate Action	
Green Certificate Application	Conch Venture required all subsidiaries to actively apply for green certificates, register on various trading platforms, and proactively seek green energy buyers. In 2025, approximately 900,000 green certificates were sold, a year-on-year increase of about 100%.
Energy-Saving Technical Transformation	CV Green Energy completed furnace tube upgrades, improving heat exchange efficiency by approximately 3%. A number of energy-saving technical upgrades were completed, including 69 water pumps with 33% energy saved, 9 fan projects with 24% energy saved, and 46 air compressor retrofits with 24% energy saved.
	CV New Energy has reduced natural gas consumption by 57 m ³ and achieved power savings of 31 kWh/h for fans. Technical upgrades to the chilled water system of the jet mill dryer have realized a daily power saving of 370 kWh per single line. Retrofitting the pipeline interconnection between the nitrogen generation system and the utility centrifugal units has resulted in a daily power saving of 11,300 kWh.
	Sichuan CV New Energy has achieved a reduction of 43 m ³ /t in natural gas unit consumption and a 13% year-on-year drop in electricity unit consumption through a number of technical renovations.
	CV New Materials' silicon-free negative-carbon fiberboard passed carbon footprint certification: 1 m ² of board (6 mm thick) had a full life-cycle carbon emission of -0.46 kg CO ₂ e, achieving negative emissions.
Application of Clean Energy	Haichuan Energy Saving rooftop photovoltaic (PV) power generation continued to operate in 2025, with self-consumed electricity of 269 kWh and grid-connected electricity of 269 kWh.
	CV New Energy power station annual cumulative power generation reached 4,240,000kWh, self-consumed electricity was 4,220,640kWh, and the self-consumption ratio reached 99.54%.
	Yangzhou Haichang Wind Power Project has an annual power generation of 4.963 million kWh, meeting an estimated 31.4% of electricity demand. Meanwhile, through intelligent substitution of fuel oil for re-combustion, annual diesel consumption has been reduced by 27 kiloliters resulting in a total annual reduction of approximately 2,705.3 tonnes of CO ₂ equivalent emissions.
	CV New Materials implemented the forklift oil to electricity projects, contributing to a significant decrease in diesel consumption; diesel consumption per unit area decreased by nearly 30 liters/10,000 m ² year on year, with annual diesel savings of 13,500 liters.
Energy Efficiency Improvement	Haichuan Energy Saving launched a new small hot-blast furnace for preheating on the CKB pilot line; after putting into use, the gas consumption of the preheater unit significantly decreased, saving an average of 95 m ³ of natural gas per hour.
	Haichuan Engineering completed the technical transformation of 8 sets of cement kiln waste heat power generation boilers, achieving energy recycling and increasing the integrated power generation capacity by approximately 800 kW.
	CV New Energy Storage Power Station operated continuously and stably in 2025, increasing valley electricity utilization by approximately 3,000 kWh daily, with cumulative charging of approximately 17,740 MWh and cumulative discharging of 16,700 MWh for the year.
	CV New Materials implemented the technical transformation of circulatory heating water tanks for hot water pools, showing significant energy efficiency improvement; under winter heating conditions, gas consumption per unit area decreased by 0.04 m ³ year on year.

Climate Action	
Extreme Weather Response Application	We installed sealing strips in winter to reduce air leakage points and actively communicated and coordinated with the government on waste transportation and storage; we implemented monitoring of pipeline anti-freeze conditions and handled abnormalities in a timely manner. At the same time, we organized special training on lightning and flood protection in summer, carried out emergency drills under extreme weather such as high temperatures and heavy rain, and equipped emergency supplies such as flood sand and communication equipment to comprehensively improve the response and disposal capabilities for natural disasters.
Energy Saving Training	Yangzhou Haichang organized and carried out electricity-saving awareness training, focusing on daily electricity usage behaviors such as turning off lights and setting air conditioning temperatures reasonably, as well as equipment operation management knowledge such as scientific use of motor and transformer groups and full utilization of peak-valley electricity price differences, effectively improving employees' energy-saving awareness and practical operation capabilities.

The Lithium Iron Phosphate Cathode Material Project Energy-Saving Technical Transformation

CV New Energy carried out several equipment technical transformation tasks throughout the year, effectively solving the bottlenecks restricting production capacity in the wet process section, while improving the integrated operation rate of equipment, it also achieved significant economic benefits.

Grinding stage	By optimizing the sand mill pipeline and adding equipment, the material grinding efficiency was greatly improved, and the fine grinding efficiency was increased by about 21% compared with before.
Spray stage	Through the technical transformation of waste heat recovery pipelines, high-temperature exhaust gas from the kiln is used for spray drying to increase the induced air temperature, reducing natural gas by 57 m³/ton compared with last year's average.
Sintering stage	By optimizing the heating and cooling process, the electricity consumption for a single heating of each kiln was reduced by 17.71% , reducing power waste.
Jet milling stage	The transformation of four production lines was completed and achieved the expected results, with each individual line saving 370 kWh per day.



3.5.3 Risk Management

Conch Venture incorporates climate change into its risk management framework and continuously improves the mechanisms for climate risk identification, assessment, and response. We dynamically monitor changes in the external environment and, in line with strategic development needs, regularly update the climate risk register. At the same time, we evaluate the potential impact of various risks, develop response measures, and enhance our adaptive capacity to address climate change.

Climate Risk Management Process

Risk Identification

Collect climate-related information (e.g., extreme weather, policy changes, market trends) to identify potential transition and physical risks.

Impact Assessment

Combine expert opinions with business realities, use scenario analysis to evaluate the impact of climate risks on key project operations and determine risk management priorities.

Strategy Formulation

Based on the assessment results, allocate resources appropriately, develop categorized response measures, integrate them into the Company's development strategy, and promote the integration of climate response with daily operations.

Monitoring and Improvement

Establish a dynamic tracking mechanism, regularly assess changes in climate risks and the effectiveness of implemented strategies, optimize processes in a timely manner, and enhance climate resilience and forward-looking risk management.



3.5.4 Metrics and Targets

We are firmly committed to promoting green and low-carbon development, deeply integrating our development goals with climate responsibilities. We set clear energy consumption targets to effectively advance carbon reduction initiatives, striving to translate our climate commitments into tangible annual results. To drive long-term decarbonization and contribute to the national “dual carbon” goals, we are analyzing business development trends and actual greenhouse gas emissions, actively considering the establishment of emission reduction targets, with plans to disclose them at an appropriate time. In addition, we plan to adopt internal carbon pricing methods when appropriate and consider linking progress on climate-related targets to the remuneration policy, supporting the achievement of our climate commitments and objectives.

Electricity consumption targets

Progress of target achieved

2026

- The waste power generation business is projected to consume **1.12 billion kWh** of electricity for its own use, with an electricity consumption rate of **16.0%**.
- The new energy materials business is expected to consume **500 million kWh** of electricity, including **150 million kWh** for cathode materials project and **350 million kWh** for anode materials project.

2027-2028

- The waste power generation business plans to consume **1.15 billion kWh** of electricity for its own use, with an electricity consumption rate of **17.0%**.
- The new energy materials business is projected to consume **530 million kWh** of electricity.

2025

- The total electricity consumption of the plant was **986 million kWh**, which was lower than the target of 1.12 billion kWh set for 2025.
- The power consumption rate of the plant was **15.4%**, which was lower than the target of 16.9% set for 2025.

Other energy consumption targets

Progress of target achieved

2026

- Diesel consumption per unit is not higher than **0.5kg/t**
- Natural gas consumption per unit is not higher than **0.65m³/t**

2027-2028

- Diesel consumption per unit is not higher than **0.5kg/t**
- Natural gas consumption per unit is not higher than **0.65m³/t**

2025

- Actual diesel consumption per unit was **0.37kg/t**
- Actual natural gas consumption per unit was **0.43m³/t**

We continuously monitor environmental performance and greenhouse gas emissions to ensure the progress and achievement of our environmental and climate targets. To closely track greenhouse gas emissions across our value chain, during the Reporting Period, we conducted, for the first time, a Scope 3 greenhouse gas inventory for the project companies in our waste-to-energy and energy-saving equipment business segments using the operational control approach, covering four Scope 3 categories. Moving forward, we will build on this foundation to continuously enhance the comprehensiveness and accuracy of our Scope 3 inventory, actively identify carbon reduction opportunities across the value chain, and work together with stakeholders to reduce carbon emissions throughout the value chain.

Energy Consumption and Greenhouse Gas Emissions⁶

Energy Consumption	Unit	2024	2025
Direct energy consumption	Tonnes of standard coal equivalent	32,889.15	24,141.51
Indirect energy consumption	Tonnes of standard coal equivalent	22,791.03	24,683.94
Total energy consumption	Tonnes of standard coal equivalent	55,680.18	48,825.45
Energy consumption per unit of revenue	Tonnes of standard coal equivalent/RMB1,000,000	8.88	7.46

Greenhouse Gas Emissions	Unit	2024	2025
Scope 1 ⁷	Tonnes of CO ₂ e	73,801.74	53,694.61
Scope 2 (Location-based) ⁸	Tonnes of CO ₂ e	108,590.74	106,564.98
Total greenhouse gas emissions (Scope 1 + Scope 2)	Tonnes of CO ₂ e	182,392.48	160,259.59
Greenhouse gas emissions per unit of revenue	Tonnes of CO ₂ e/RMB1,000,000	29.09	24.47
Scope 3 ⁹	Tonnes of CO ₂ e	/	219,393.64
Category 1: purchased goods and services	Tonnes of CO ₂ e	/	202,298.67
Category 3: fuel- and energy-related activities	Tonnes of CO ₂ e	/	10,618.63
Category 7: employee commuting	Tonnes of CO ₂ e	/	5,663.85
Category 13: downstream leased assets	Tonnes of CO ₂ e	/	812.49



⁶ In 2025, Conch Venture strengthened the operation and maintenance management of its system equipment and promoted isolated-grid operation upgrades, reducing the number of plant shutdowns due to equipment failures and external line faults. In addition, by implementing refined waste storage management and optimizing grate furnace operations, the stability of waste combustion was improved, effectively reducing the consumption of auxiliary fuels. As a result, diesel usage decreased significantly compared with the previous year, leading to a corresponding reduction in direct energy consumption, total energy usage, and Scope 1 greenhouse gas emissions.

⁷ The main sources of Scope 1 greenhouse gas emissions are natural gas, liquefied petroleum gas, diesel, gasoline, etc. The calculation of Scope 1 greenhouse gas emissions refers to the Greenhouse Gas (GHG) Protocol issued by the World Resources Institute (WRI) and the World Business Council for Sustainability (WBCSD), and the 2006 IPCC Guidelines for National Greenhouse Gas Inventories issued by the Intergovernmental Panel on Climate Change (IPCC).

⁸ The main sources of Scope 2 greenhouse gas emissions are purchased steam and purchased electricity. The greenhouse gas emission factor for purchased steam is calculated at 0.11 tCO₂e/GJ. In 2025, the greenhouse gas emission factor for purchased electricity is calculated according to the factor of 0.5306 kgCO₂e/kWh as set out in the "Announcement on the Release of the Carbon Dioxide Emission Factor of Electricity in 2023" issued by the Ministry of Ecology and Environment.

⁹ Scope 3 greenhouse gas emissions statistics only include project companies in the waste-to-energy and energy-saving equipment business segments. The inventory was conducted in accordance with the GHG Protocol: Corporate Value Chain (Scope 3) Accounting and Reporting Standard, covering four categories: purchased goods and services, fuel- and energy-related activities, employee commuting, and downstream leased assets.



People-Centric Approach, Focused on Development

Conch Venture regards its employees as the foundation for long-term development. We value talent growth rights protection, and occupational health and safety, striving to create a diverse and inclusive environment, establish clear career development paths, and provide welfare support, promoting the mutual advancement of employees and the Company.

4.1 Building a Diverse Workplace

Conch Venture focuses on talent acquisition and the protection of employee rights. Through comprehensive policies and ongoing capacity-building initiatives, we effectively safeguard employees' lawful rights, creating a diverse, inclusive, fair, and supportive work environment where employees are respected and able to grow.



4.1.1 Talent Reserves

Conch Venture is committed to sustainable development and systematically advances the development of its talent echelon. We continuously improve dynamic workforce planning, broaden talent acquisition channels, and optimize internal deployment mechanisms, while consistently strengthening the three-tier talent management system comprising headquarters-regional offices-subsidiaries, thereby providing solid talent support for the implementation of the Group's strategies.

Dynamic Workforce Planning

- Formulate and adjust annual workforce plans dynamically based on the Group's development strategies and actual production and operation needs, optimize job structure deployment, and enhance operational efficiency.

Diversified Talent Acquisition

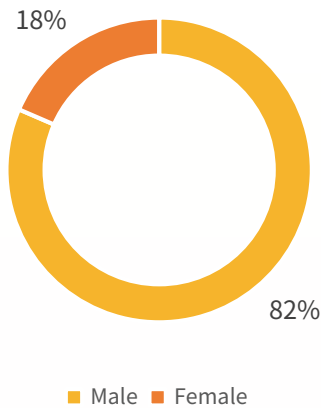
- Optimize recruitment processes and continuously expand campus, social and industry-specific recruitment channels, with a focus on attracting professionals in the waste treatment and new energy materials sectors.
- During the Reporting Period, we participated in a number of campus recruitment activities, including the "University Recruitment Campaign (百校大宣讲招聘会)" held in Wuhu City and the special recruitment event at Hefei University of Technology.

Optimization of Internal Deployment

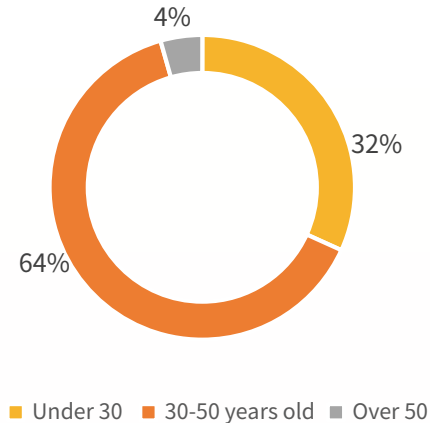
- Improve internal promotion and competitive selection processes, implement the competitive selection mechanism for regional specialists, and strengthen localized professional management capabilities.
- Standardize the internal transfer and employment management procedures for employees, covering job arrangement, payroll processing, social security contributions and file transfers, to ensure orderly business continuity.
- Conduct compliance adjustments for positions involving connected transactions to mitigate personnel management risks.

Conch Venture adheres to the principles of diversified recruitment and localized employment. As at the end of the Reporting Period, the Group had a total of 6,827 employees, comprising 6,557 full-time employees and 270 dispatched workers, with the proportion of localized employment being 89%. The breakdown of full-time employees is as follows:

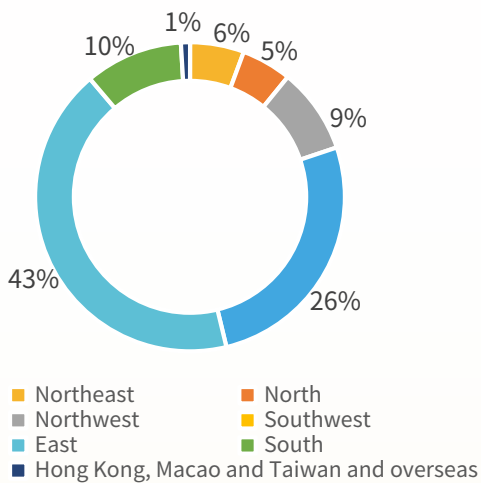
Full-time employees by gender



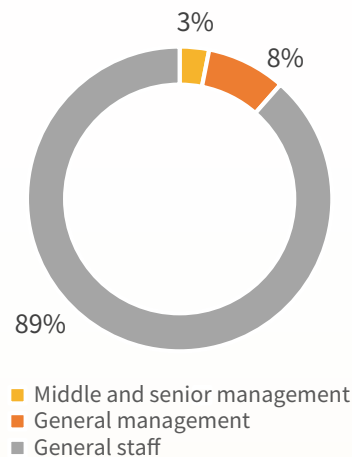
Full-time employees by age



Full-time employees by region



Full-time employees by class of position



4.1.2 Employee Rights and Interests

Conch Venture strictly complies with national laws, regulations and employment requirements, and continues to improve its internal management mechanisms to safeguard the legitimate rights and interests of its employees. The Group adheres to the Labor Law of the People's Republic of China, the Special Rules on the Labor Protection of Female Employees, the Law of the People's Republic of China on the Protection of Minors, the Provisions on the Prohibition of Using Child Labor and other relevant laws and regulations, and has formulated internal policies including the Company Workforce Recruitment and Selection Regulations and the Company Employment Hiring Guidelines. Through the Employee Handbook and other policies, we have clearly communicated workplace conduct standards and management requirements to all employees, ensuring that their rights and interests in areas such as remuneration and benefits, recruitment and promotion, working hours and leave, equal opportunities and anti-discrimination are fully protected.

In terms of human rights protection, we uphold the following fundamental principles and strictly implement the relevant measures:

Prohibition of forced labor

Strictly prohibit any form of forced labor, and resolutely forbid the use of violence, threats or illegal restriction of personal liberty to compel any person to engage in involuntary labor or services.

Prohibition of child labor

Explicitly prohibit the employment of child labor, and conduct pre-employment screening through the human resources information management platform to conduct pre-employment screening to prevent the recruitment of child labor at the source. Should any employment of child labor be identified, we will immediately report to the competent authorities and take remedial actions.

Prohibition of discrimination and harassment

Adhere to the principle of fairness, and maintain zero tolerance for any form of discrimination or harassment based on gender, age, ethnicity, region, religion, physical condition or other grounds. We respect and protect the legal rights and interests of female employees, employees in difficulty and other groups.

Protection of legal rights and interests

Respect and uphold the rights and freedoms of employees to join trade unions and engage in labor contract negotiations in accordance with the law. We protect the personal dignity and privacy of employees, and prevent the unlawful collection, use or disclosure of personal information.

To ensure the implementation of various principles and standards, the Group has adopted a number of specific measures in recruitment and day-to-day management. During the recruitment process, we strictly conduct identity and age verification, and all hiring decisions are subject to unified review and approval by the human resources department, thereby preventing non-compliant employment practices at the source. In daily operations, we continuously monitor the compliance of subsidiaries with relevant laws and regulations on employment through measures such as regular professional inspections, cross-inspections among regions, and interim and final reviews.

During the Reporting Period, the Group continuously strengthened the implementation of employee rights protection mechanisms through the annual personnel administration year-end inspection and thematic training sessions. The inspections covered all departments and subsidiaries, focusing on core modules such as recruitment and deployment, and compensation and performance, following the process of “self-assessment and reporting—on-site verification—cross-review—rectification tracking” to facilitate the optimization of the management system. In addition, we organized administrative and human resources professional training in the Yunnan region, concentrating on key operational areas such as employment compliance and compensation and benefits, which effectively enhanced the compliance awareness and practical capabilities of relevant personnel.

Conch Venture strictly complies with relevant regulations in its employment practices. During the Reporting Period, there were no incidents of child labor or forced labor, and the Company was honored with the title of “Class A Enterprise in Labor Security Compliance and Integrity”.

4.2 Empowering Talent

Conch Venture continues to enhance its performance management and training mechanisms, establishing a structured performance evaluation and incentive system to unlock employee potential. We conduct systematic training aligned with strategic objectives and job requirements to support employees in capability enhancement, thereby achieving synergy between talent development and the Company’s growth.



4.2.1 Performance Management

Conch Venture adheres to the principles of “with both virtue and ability, virtue before ability”, “merit-based selection after fair and open competition”, and “full deliberation, democratic centralism”, and has established a structured performance management and talent development system to ensure fairness and transparency in employee evaluation and promotion processes, thereby continuously enhancing team effectiveness and organizational vitality.

Performance Appraisal Management

- Formulate performance appraisal plans based on the Company's annual plans and objectives, establish multi-dimensional employee assessment indicators in a scientific manner, and conduct regular appraisals and feedback sessions.
- Implement special incentive schemes for key employees and organize annual excellence awards to set performance benchmarks and foster a proactive and enterprising organizational atmosphere.

Promotion Channel Management

- Establish five career development pathways, namely key management personnel positions, professional technical positions, operation positions, auxiliary business, and logistics services, with clearly defined promotion channel of "subsidiary employee-subsidiary middle management-department/subsidiary senior management".
- Establish special promotion mechanisms and offer policy preferences to employees with outstanding performance.

Special Promotion Mechanism

- For outstanding employees who have received recognition at the Company level or above in the past two years, or have been honored by their unit twice or more in the past three years, the required years of service for promotion may be reduced by one year.
- For newly promoted employees who have continuously worked in remote areas for three years, or for employees seeking promotion after five years of such service, the required years of service for promotion may be reduced by one year.
- For employees with solid professional skills who demonstrate outstanding performance, and who voluntarily or unconditionally accept postings to challenging regions, the required years of service for promotion may be reduced by up to one year.

During the Reporting Period, to further facilitate the development of professional and technical talents, the Group formulated and issued the Interim Measures for the Selection, Appointment and Management of Regional Shared Specialists for Power Generation Projects. By establishing talent selection criteria, standardizing appointment procedures, and implementing regionally coordinated assessment and incentive mechanisms, these measures have established a regionalized and shared selection and promotion pathway for specialists, strengthened the cultivation and motivation of talents in key technical roles, and built up core capabilities to support business expansion and operational optimization.



4.2.2 Employee Training

Conch Venture places great importance on employee growth and capability development and has established a hierarchical and categorized training system based on the Company's actual development and employees' career development needs. We have formulated regulations such as the Implementation Rules for Employee Training Management and the Interim Measures for Employee Training Management, continuously optimizing training processes and record management, and constantly improving the systematizations and effectiveness of training.

We have established a regular training system that spans all stages of employee development, covering a wide range of areas including onboarding for new hires, compliance and professional development for all employees, cross-regional knowledge sharing, reinforcement of job-specific skills, and support for external learning and professional certification applications.

Training for New Employees

We provide corporate culture, business and skills training for new employees such as recent graduates, in order to help them quickly adapt to their roles.

Training for All Employees

We regularly organize online and offline trainings covering business ethics, occupational health and safety, compliance and risk management, digital tools, etc., with a focus on professional competence and basic abilities, to enhance employees' sense of belonging and organizational identity.

Regional Exchange and Training

We advocate joint exchanges and trainings among different regions to promote resource sharing and mutual exchange of management experience. Leveraging regular cross-regional on-site inspections and on-site guidance and training, we assist each region in identifying and addressing management weakness.

Professional Skills Training

We continue to conduct professional skills training across all regions, covering areas such as safety, production, finance, administration and human resources. With a focus on cutting-edge technologies, compliance and risk management, and efficiency improvements, we drive the continuous development of employees' professional capabilities through a "theory + practice + certification" model, enhancing their job-specific expertise and operational standardization.

External Exchange and Training

We encourage employees to participate in external training and professional development. In accordance with the Implementation Opinions on Encouraging Employees' Re-learning and Education, which covers all employee and provides wage subsidies and tuition reimbursement in relation to the re-education of employees, we encourage employees to apply for professional title evaluations and to continuously enhance their professional skills. During the Reporting Period, a total of 18 employees within the Group successfully obtained professional titles in fields such as engineering safety and environmental protection, including 2 senior-level titles, 4 intermediate-level titles, and 12 assistant-level titles.

During the Reporting period, with "strategic guidance, capability alignment, and cultural integration" as our guiding framework, we conducted training programs under a blended "online + offline" learning model. Employee training coverage reached 100%, with a total of 4,662 training sessions held throughout the year, involving 18,648 participants and accumulating 196,710 training hours.

Professional Empowerment to Promote Development

In 2025, the Company continued to deepen its talent development efforts and carefully launched diverse and professional skills training courses. The training fully covered a number of core areas including human resource management, safety and environmental protection control, and supply chain operations. Through a systematic training system, the Company continuously strengthened employees' comprehensive professional competence and expertise, promoted talent team construction with practical actions, and laid a solid talent foundation for the high-quality development of the enterprise.



4.3 Safeguarding Employee Well-being

Conch Venture integrates employee well-being into its corporate vision. Capitalizing on comprehensive compensation and benefits and open, transparent communication channels, we continuously enhance employees' experience and provide a solid foundation for their professional growth, enabling them and the Company to create value together.



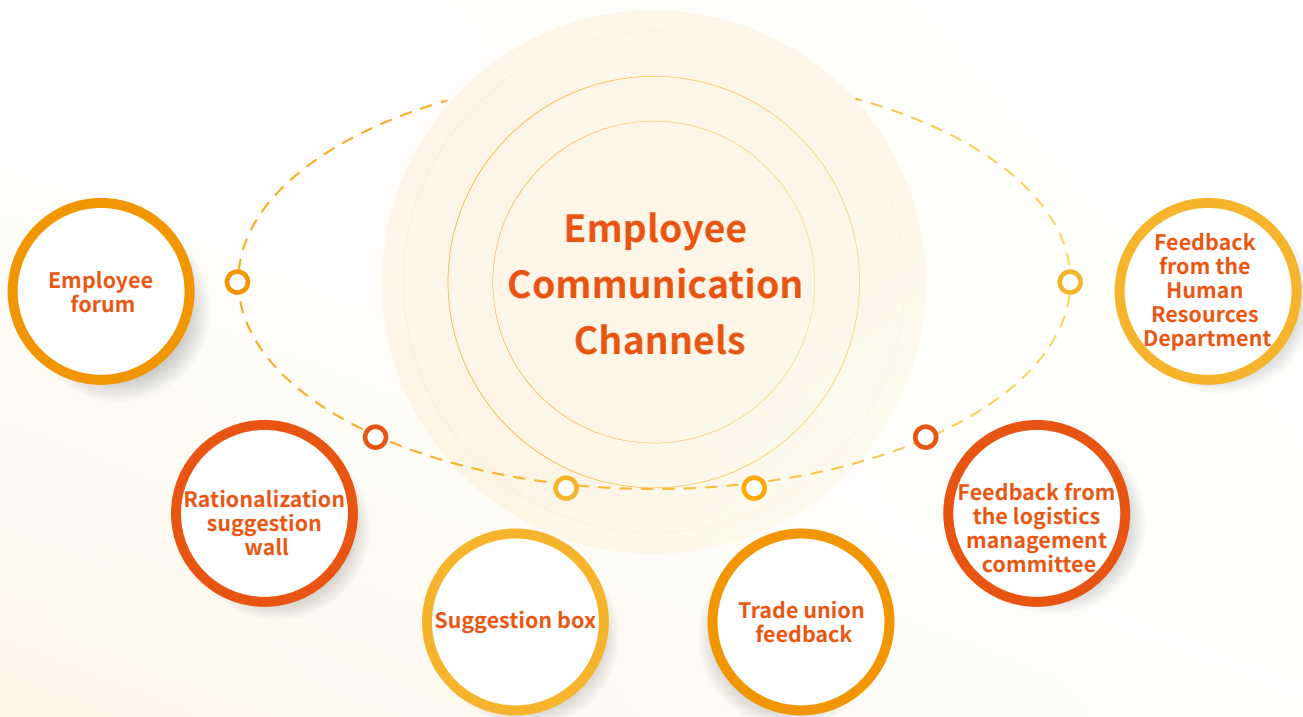
4.3.1 Remuneration and Benefits

In strict compliance with national laws and regulations, including the Social Insurance Law of the People's Republic of China and the Labor Law of the People's Republic of China, Conch Venture has established a competitive compensation and benefits system in a bid to provide employees with comprehensive and equitable compensation and career support. The Group has established a diversified compensation incentive mechanism and performance evaluation system, providing incentives to units with outstanding performance in line with our production and operation goals, enabling employees to share in the Company's development achievements. During the Reporting Period, we further refined relevant policies. By revising the Implementation Plan for Salary Assessment, we optimized departmental key performance indicators to promote the alignment of performance assessment with business operations. We also updated the Interim Measures for the Management of Gross Payroll Withdrawal, which expanded coverage to 97% and adjusted allocation standards based on actual operational conditions to enhance the effectiveness of policy implementation. In terms of welfare protection, Conch Venture has established a diversified employee benefits system covering social insurance, housing provident funds, statutory paid leave, living subsidies, and annual health check-ups, thereby supporting employees' work-life balance. We attach emphasis to employees' health and well-being and organize sports events, wellness programs, and cultural and recreational activities to support their physical and mental well-being. In addition, the Group complies with national regulations on maternity and family support by granting female employees a minimum of 98 days' maternity leave and male employees 30 days of paternity leave, and by providing appropriate accommodations for employees during the breastfeeding period. The Group also actively complies with the local talent policies. During the Reporting Period, in accordance with the Implementation Rules for the Recognition of High-Level Talents and the Disbursement of Related Subsidies in Wuhu, we supported 24 employees in achieving talent recognition and securing corresponding subsidies. An additional 12 employees are currently undergoing the recognition process, effectively translating local talent policies into tangible employee benefits.

Type of benefit	Main content
Holiday Benefits	Employees are entitled to various statutory leaves, including paid annual leave, marriage leave, bereavement leave, nursing leave and maternity leave
Five Insurances and One Fund	In accordance with the law, the Group makes contributions to employees' pension insurance, medical insurance, work-related injury insurance, maternity insurance, unemployment insurance, and housing provident funds. During the Reporting Period, we updated the contribution rates based on employees' latest average wage
Living Security	We provide all employees with annual health check-ups, including examinations for occupational disease risk factors and offer them access to fitness facilities such as gyms, standardized dormitories, and canteens with diverse meal options, including halal meals along with meal subsidies
Special Benefits	We distribute consolation gifts to employees during special anniversaries and festivals, and develop centralized leave plans for out-of-town employees

4.3.2 Employee Communication

Conch Venture places importance on positive interaction with employees and is committed to building an open, transparent, and effective two-way communication mechanism. We collect and respond to employees' opinions and demands through various channels such as suggestion boxes, rationalization suggestion walls, feedback from the Human Resources Department, trade union feedback, employee forums, and the logistics management committee, regularly follow up on the handling progress, and promote continuous optimization of management.



To systematically understand the views of its employees, Conch Venture has established and implemented a multi-level employee satisfaction survey mechanism. During the Reporting Period, we conducted an overall satisfaction survey, covering all 89 subsidiaries, with a composite satisfaction score of 98.09. Within the Group, an anonymous democratic evaluation was carried out for all employees, covering such dimensions as job satisfaction, sense of purpose, well-being and stress management, as well as specific aspects including the fairness of remuneration and benefits, rationality of performance appraisal, development potential, teamwork, working environment, execution capability and work efficiency. The evaluation fully collected opinions and suggestions from employees at all levels to better respond to their demands. In addition, we conduct regular spot checks and notifications on logistics support services such as staff canteens and dormitories and continuously supervises and improves the logistics service standards of all subsidiaries.

The Group respects and protects employees' statutory right to join trade union organizations, steadily advances collective consultation and the signing of collective contracts, and supports employees' freedom of association and freedom of expression. During the Reporting Period, the trade union membership coverage rate of the Group stood at 20%. Furthermore, we actively organize a variety of employee care and cultural activities to foster a harmonious and warm working atmosphere, continuously enhancing employees' sense of belonging, and promoting the coordinated development of corporate culture building and employee satisfaction.

Festival & Cultural Activities Enhance Cohesion

Valuing employees' cultural experience and physical and mental health, Conch Venture regularly holds a diverse range of cultural and sports activities including birthday celebrations, autumn sports meetings, Women's Day team-building events and Spring Festival galas. These activities enrich employees' spare-time life, promote communication among employees, and effectively enhance employees' sense of happiness and organizational vitality.



Outdoor Development Training



Birthday Party for Employees of Conch New Energy Materials



Autumn Sports Meeting in Guangxi Region



Double Festival Gala in Northeast Region

Frontline Care Initiatives Warm Hearts

During the Reporting Period, Conch Venture launched a series of care initiatives covering all regions, including high-temperature welfare condolences, festival gift distribution and assistance for employees in difficulties, conveying organizational support to employees and fostering an internal atmosphere of solidarity, mutual assistance and humanistic care.



Cooling Comfort Care at Bozhou CV



Cooling Comfort Care at Yangzhou Haichang



Festival Gift Distribution at CV New Energy



Condolences to Employees in Difficulties at CV New Energy

4.4 Health and Safety Protection

Conch Venture prioritizes occupational health and safety, and is committed to building a comprehensive management system and fostering a safety culture with full participation, providing solid protection for the health and safety of employees, contractors and suppliers.



4.4.1 Ensuring Safe Production

◎ Sound Safety Management System

Adhering strictly to the principle of "Safety First, Prevention Primacy, Comprehensive Governance" in the field of occupational health and safety, Conch Venture fully implements national laws and regulations including the Work Safety Law of the People's Republic of China and the Law of the People's Republic of China on the Prevention and Control of Occupational Diseases, and has established an internal institutional system with the On-site Operation Safety Management System, the Fire Safety Management System and other systems as the core.

During the Reporting Period, to continuously strengthen the process management of safe production, the Group formulated and issued special regulations such as the Safety Operating Procedures for Hydrated Lime Unloading Operations and the Safety Operating Procedures for Activated Carbon Unloading Operations for all business segments of all subsidiaries in light of actual operation. Meanwhile, the Group formulated and publicly released the Occupational Health and Safety Management Policy applicable to the entire Group and all relevant parties such as contractors and suppliers, clarifying the management structure, management objectives and core principles, deepening the implementation of safety requirements in each operation link, and continuously consolidating the foundation of safety management.

The Group's work safety management system takes the EHS Management Committee as the highest responsible body, providing overall leadership for occupational health and safety work. The EHS Office is set up under the Committee to be responsible for daily promotion, supervision and inspection. The Company's Strategy, Sustainable Development and Risk Management Committee also supervises health and safety performance indicators to jointly ensure the continuous operation of the system. Responsibilities of management personnel at all levels are clearly defined to jointly promote the effective implementation of safety standards.

Work Safety Management Structure

EHS Management Committee

Responsible for formulating guidelines and strategies for occupational health and safety management, coordinating major safety decisions and bearing ultimate responsibility for safety management performance.

EHS Office

Responsible for organizing, promoting and coordinating daily EHS work, and supervising the implementation of safety initiatives by all entities.

To strengthen the implementation of safety management responsibilities, Conch Venture has established an assessment mechanism that links environmental, health and safety performance with the compensation of management and business principals, ensuring the effective transmission of various management requirements institutionally. During the Reporting Period, the Group further clarified the annual management objectives of the Group level, subordinate entities and various contractors in terms of work safety and environmental protection, and incorporated such objectives into the corresponding performance evaluations. Meanwhile, the Group has set medium- and long-term non-zero health and safety targets for relevant parties including contractors, that is, by 2027, the accident rate of relevant parties shall be kept at no more than 4%. As of the end of the Reporting Period, the Group achieved all annual environmental, health and safety management objectives.

Environmental, Health and Safety Responsibility Targets	Specific Targets for 2025	Achievement Status of Safety Targets for 2025
Work-related fatal accidents	0	0
General and above emergent environmental incidents	0	0
Injury rate per thousand employees	No more than 1.8‰	1.5‰
Rate of fire accident	No more than 4%	0%
Accident rate of contractors	No more than 4%	1.89%

Regulating Contractor Safety Management

Conch Venture incorporates contractors into its unified occupational health and safety management system, formulating and implementing the Relevant Party Safety Management System to audit contractors' work safety qualifications and guarantee mechanisms. The Group encourages contractors to formulate and implement safety targets consistent with the Group's requirements and implements full-process closed-loop management for contractors covering qualification review, contract signing, construction filing and on-site operation implementation, so as to promote the effective implementation of work safety responsibilities at the relevant party level. During the Reporting Period, Conch Venture recorded a total of 2 work-related injury accidents involving contractors.

Contractor Safety Management Process

Qualification Review

The Group verifies the contractor's qualifications such as the work safety license, and assesses the implementation of safety measures and the completeness of the guaranteed system

Contract Signing

After confirming that the contractor meets the safety guarantee requirements, the Group signs a contract containing safety management clauses to clarify the safety responsibilities of both parties

Construction Filing

The Group requires the contractor to submit a construction plan including personnel arrangement, safety measures, quality standards and inspection system before commencement, and file it with the Company's safety management department

Operation Implementation

The Group requires the contractor to conduct qualification review and safety education on personnel entering the site, and keep records for future inspection

Implementation of Occupational Health and Safety Measures

Conch Venture abides by work safety guidelines, translates management requirements into specific practices covering all operation scenarios, and systematically consolidates the foundation of occupational health and safety through strict implementation and continuous improvement.

Personnel protection and protective facilities

- Provide employees with personal protective equipment that meets applicable standards, such as dust masks, safety helmets, protective goggles, insulated footwear, etc.
- Regularly inspect, maintain, and update all protective equipment and on-site safety protection facilities.
- Install safety guardrails and warning signs in work areas, and ensure that emergency exits remain unobstructed.

Identify and management of safety hazards

- Conduct routine hazard identification through daily inspections, comprehensive inspections, special inspections (e.g., fire protection facilities, confined spaces), and holiday inspections, implementing closed-loop rectification for identified issues to mitigate safety risks.
- During the Reporting Period, we adopted a four-pronged approach of "departmental supervision, regional cross-checks, annual inspections, and online monitoring" to deepen safety and environmental governance. A total of 50 companies were audited across areas such as foundational management, on-site safety management, relevant party management, and occupational health and safety, driving the rectification of 743 safety and environmental issues. Subsidiaries simultaneously carried out targeted inspections to eliminate safety hazards.

Risk classification management and control

- Systematically conduct risk identification, assessment, classification, and control in accordance with the Safety Risk Classification and Control System.
- Install safety risk bulletin boards and post-specific risk notification cards at construction sites, clarifying control responsibilities.
- During the Reporting Period, we conducted applied research on thermal imaging early warning technology. This non-contact, real-time monitoring approach is being explored as a replacement for traditional manual methods to enable early warning and prevention of major safety risks such as furnace blowout incidents.

Safety development at the grassroots team level

- Define safety responsibility owners and strengthen personnel safety foundations by signing safety agreements, ensuring adequate safety investment, designating on-site safety officers, and convening EHS committee meetings.
- During the Reporting Period, we launched a company-wide "Safety Team Creation and Upgrade" initiative, shifting the focus of safety management to the team level, aiming to standardize frontline operational practices and prevent "three violations" (violations of work discipline, safety procedures, and operational instructions).

Relevant party safety management

- Strictly implement comprehensive process controls in accordance with the Relevant Party Safety Management System, including qualification review of relevant parties, signing of construction project safety management agreements and safety commitment letters, pre-entry safety education, and approval of hazardous work.
- Conduct regular on-site safety inspections and risk behavior assessments for relevant parties, using the results as key inputs for performance evaluation and contract renewal decisions.
- During the Reporting Period, we implemented information filing and insurance verification for personnel of relevant parties. Through joint safety inspections, a "snap and report" site supervision mechanism, and regular project safety meetings, we exercised dynamic process oversight over the work sites of relevant parties to ensure the effective implementation of safety management requirements.

Strengthening Occupational Disease Prevention

Conch Venture strictly complies with the Law of the People's Republic of China on Prevention and Control of Occupational Diseases, the Measures for the Supervision and Administration of Employers' Occupational Health Surveillance, and other relevant laws and regulations. In accordance with internal systems such as the Occupational Disease Hazard Prevention and Control Responsibility System and the System on the Warning and Notification of Occupational Disease Hazards, the Group systematically carries out occupational health management. By improving processes, strengthening procedural controls, and implementing individual health monitoring measures, we are committed to controlling and eliminating occupational disease hazards, thereby safeguarding the occupational health of our employees. During the Reporting Period, building on our existing protection framework, we further intensified the systematic identification, risk assessment, and dynamic management of occupational disease hazards.

Source and engineering controls

- Enclosed design for waste pits, leachate systems, etc., equipped with ventilation systems to maintain a slight negative pressure and prevent the leakage of hazardous gases.
- Soundproofing design adopted in production areas, with vibration damping and sound absorption measures applied to noise sources such as fans and steam pipelines.
- Regular testing and status assessments of occupational disease hazard factors to identify and control risks at the source.

Health monitoring and risk avoidance

- Engage third-party institutions to conduct regular occupational health testing at work sites, and provide occupational health examinations for employees in relevant positions.
- For employees assessed to be at risk of occupational diseases, necessary job transfer arrangements are provided to prevent continued exposure to hazardous factors.

Proactive Prevention of Occupational Disease Hazards

Warning signage and emergency preparedness

- Prominent warning signs and instructions are placed at the entrances of workplaces with occupational disease hazards, as well as at relevant workstations and equipment. Emergency response supplies are equipped and maintained.

Capacity building and training

- Organize special training sessions on occupational health, covering laws and regulations, health knowledge, and emergency response, to enhance employees' awareness and understanding of occupational disease hazards and their ability to protect themselves.

Improve emergency management

Conch Venture strictly complies with the Emergency Response Law of the People's Republic of China and has established and implemented internal policies such as the Measures for the Management of Safety Production Accident Reporting and Investigation and the Notice on Strengthening the Management of Work-related Injury Insurance, which set forth the Company's requirements for accident reporting, investigation and handling procedures, and work-related injury insurance management. The Company has established a graded emergency response mechanism, and initiates response procedures at different levels depend on the severity of the incident, with corresponding management leading the formation of an emergency response team to coordinate accident investigations, post-incident handling, and production resumption efforts, thereby ensuring rapid response, clear accountability, and root cause rectification.

Building on this framework, we have standardized the specific handling procedures following work-related injury incidents to ensure that employees receive timely recognition and protection in accordance with applicable laws and regulations.

Industrial injury reporting

After an industrial injury occurs, the subsidiary shall report immediately and truthfully. The Company seriously prohibits any delayed reporting, false reporting and concealment. Severe responsibilities will be pursued for any violations.

Identification of industrial injury

After reporting of an industrial injury, the subsidiary shall promptly notify the social insurance administrative department for industrial injury recognition and provide a complete application form, certificate of medical diagnosis and other relevant materials.

Compensation for industrial injury

After the completion of industrial injury recognition, the subsidiary shall apply for the compensation of industrial injury in strict accordance with the requirements of the Company and local competent authorities, so as to protect the rights and interests of employees.

As of the end of the Reporting Period, 12 subsidiaries of Conch Venture have obtained ISO 45001 Occupational Health and Safety Management System certification.

During the Reporting Period, 10 safety accidents occurred in the Group, leading to 0 work-related deaths and 10 work-related injuries. A total of 687 working days were lost due to the work-related injuries. Accident responsibilities are handled in accordance with the Company's Accountability System for Safety Incidents.



Anhui New Material



Baotou CV

4.4.2 Living a Safety Culture

Conch Venture deeply recognizes that a robust safety culture is the most solid foundation for accident prevention. We are committed to internalizing safety concepts as a conscious practice among employees and relevant parties through systematic training mechanisms and diverse awareness campaigns, fostering a cultural atmosphere where "everyone values safety and prioritizes safety in all matters."

We have established an occupational health and safety training system that covers all employees and spans all operational processes—deepening professional competence internally while strengthening risk awareness externally.

Safety Training Mechanisms for Internal and External Personnel

Internal employee training

- Develop annual training plans and conduct specialised training sessions for EHS committee members, responsible personnel at all levels, and full-time and part-time safety officers, communicating the latest regulations and policies.
- Implement on-going safety education for key position personnel to ensure certified work and compliance management.

External personnel training

- Provide customised safety training for all contractors, suppliers, and external personnel in accordance with the Relevant Party Safety Management System.
- Ensure external personnel clearly understand and adhere to the Group's safety requirements through measures such as producing and playing Entry Safety Notification Film and distributing safety notification letters.

During the Reporting Period, the Group's subsidiaries carried out a series of distinctive safety culture initiatives focusing on core risks and key capabilities. Through systematic training and diverse cultural initiatives, Conch Venture continued to integrate safety concepts into all aspects of operations, consolidating a safety culture with full participation and proactive risk prevention.

Professional Capability Enhancement Training

During the Reporting Period, Conch Venture organized a series of training for key personnel of safety and environmental protection, covering seven major waste power generation regions and the new energy materials sector, with over 550 participants in total. The training covered policy interpretation, AI-powered safety risk management and in-depth analysis of typical safety and environmental protection incidents, significantly strengthened the safety awareness and risk prevention capabilities of management personnel.



In addition, the safety and environmental protection department of Conch Venture, in collaboration with Maanshan CV, organized a special training session on firefighting equipment maintenance. Through expert lectures and practical simulations, the training enhanced the firefighting facility maintenance skills of over 40 technical professionals.



Immersive Safety Warning and Education

To regulate high-risk operations, Conch Venture produced and promoted a series of practical safety videos, including the Standard Procedures for Confined Space Operations and the Specifications for Hot Work. Meanwhile, under the themes of "Safety Production Month" and "Fire Safety Month", we produced scenario-based videos such as A Day of a Safety Officer and Fire Safety for All, Life First – Safe Use of Electricity and Fire, and developed "Weekly Lesson" educational posters, educating frontline employees with safety knowledge in a more intuitive and engaging manner.



Practical Emergency Drills

Conch Venture formulated an annual emergency drill plan, covering various emergency scenarios such as blockage of slag extractor, office fire evacuation, confined space operations, mechanical injury. During the Reporting Period, each project company actively conducted targeted emergency drills based on their respective operational risks. CV Recycling organized emergency drills for sudden shutdown incidents and heatstroke scenarios. CV New Energy conducted emergency drills for confined space operation accidents and invited external fire rescue agencies to provide on-site training, effectively enhancing employees' capabilities in self-rescue, mutual rescue and initial emergency response during emergencies.



Themed Publicity and Education Activities

During the Reporting Period, centered around key themes such as "Work Safety Month", "Fire Safety Month" and occupational disease prevention, and through various initiatives including setting up display boards at the industrial parks, organizing themed events and arranging for employees to sign the Occupational Hazard Notification Letters, each subsidiary of Conch Venture continuously promoted safety and health concepts to all staff, fostering a safety culture that is evolving from general awareness towards conscious practice.



Quality Foremost, Service Excellence

Innovation is the core driver of Conch Venture's sustainable development. We focus on breakthroughs in key technologies to drive the iterative upgrade of our products and processes. Quality is the cornerstone of Conch Venture's existence and growth. We implement a comprehensive quality control mechanism across the entire process to ensure product stability and reliability. We continuously optimize customer experience, strengthen supplier management, and build a sustainable supply chain, taking solid measures to ensure high-quality development.

5.1 Driving Innovation

Conch Venture highly emphasizes on innovation-driven development by continuously increasing research and development investment to advance core environmental protection technologies and achieve technological breakthroughs in key areas of the new energy and recycling industry. Through a combination of independent research and development and the commercialization of research achievements, we have secured multiple patents. Our continuously improving innovation system effectively enhances our core competitiveness.



5.1.1 Deepening Innovation Practice

Conch Venture supports innovation in its core industries through sustained research and development investment. While enhancing the quality and efficiency of existing business, Conch Venture actively broadens the boundaries of its technologies and optimizes its research and development layout to continuously strengthen its sustainable competitiveness for the future. By systematically building the research and development systems and capabilities across its segments, the Group is solidifying its innovation foundation, thereby accumulating core strengths to prevail in future technological competition and achieve long-term development.

Research and development targets of clean technologies

Based on 2025, the Company's research and development investment in the waste to power generation, new energy materials, and other business segments will increase by approximately **4.5%** by 2030.

In the next five years, the Company plans to invest approximately **RMB80 million** in innovations, research and development in the new energy sector.

Environmental Protection as Major Business

In major business of environmental protection, Conch Venture always upholds technological leadership and forward-looking layout. During the Reporting Period, the Company made significant progress in both enhancing the energy efficiency of existing facilities and advancing the research and development of emerging treatment technologies, continuously strengthening the competitiveness of our core business and provided robust support for the green development of the industry.

Boiler Efficient Renovation

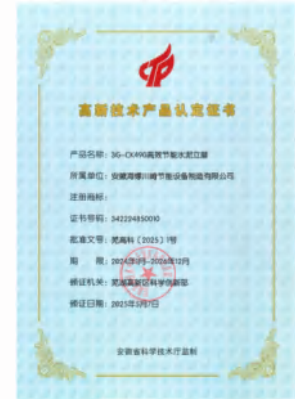
During the Reporting Period, CK Engineering innovatively implemented the Shizong Yunshui Jiahua Boiler Renovation Project (師宗雲水嘉華鍋爐改造項目). The project deviated from the traditional approach of increasing boiler height and surface area by adopting a self-developed finned tube VG boiler, which increased the heat exchange area without increasing the boiler's height. By reusing the original raw steel structure, the project effectively saved on investment and significantly improved operational energy efficiency, serving as an innovative sample for the efficient renovation of waste heat boilers.

Forward-looking Layout on Fly Ash Washing Process

In response to the national target of "Reducing the Proportion of Hazardous Waste Disposed of in Landfills to within 10% by 2030", CK Engineering adopted a forward-looking approach by signing agreements with partners to jointly conduct research and development on the fly ash washing process during the Reporting Period. The key process design has now been completed, and market promotion has been initiated. It aims to address the challenge of disposing incineration fly ash, providing an applicable measure to support the implementation of national policy objectives.

High-Efficiency and Energy-Saving Vertical Cement Mill

During the Reporting Period, the 3G-CK490 high-efficiency and energy-saving vertical cement mill, independently developed by CK Equipment, was recognized as a High-tech Product of Anhui Province. The equipment innovatively adopts an "external recycling vertical cement mill final grinding system", offering significant advantages in the cement grinding process, including high production capacity, low unit power consumption and low finished product temperature. Its strong applicability and economic benefits have been validated through practical industrial application.



High-tech Product Certification of CK Equipment >

◎ New Energy and Recycling Industry

Conch Venture continues to focus on deepening its major business and expanding into other areas by advancing existing technologies upgrade and developing energy-saving equipment within the new energy and recycling industry. Through project implementation, industry-academy collaboration and platform development, the Company produces new momentum into the green upgrade and sustainable development of the industry.

Advancing Technical Upgrades to the Copper and Aluminum Reprocessing System

During the Reporting Period, CV Recycling implemented a series of technical optimizations to its copper and aluminum reprocessing system, aimed at improving the quality of recycled metals and enhancing production safety.

Improvements	Achievements
Advancing offline purification	Enhanced purity of metal particles
Installing black mass homogenization system	Improved stability of black mass specifications
Improving the preheater emergency safety system	Strengthened safety protection and emergency response capabilities
Installing of a feeding belt scale	Increased precision of feed control and uniformity of material distribution

Highlights of the Copper and Aluminum Reprocessing System Technical Upgrade

Following this series of technical optimizations, the purity of both copper and aluminum products has been consistently maintained above 90% and the operational efficiency and safety standards of the system were simultaneously enhanced.

To support continuous breakthroughs in core technologies, Conch Venture continues to advance its research and development system and talent team building. During the Reporting Period, CV New Energy solidified its innovation foundation through multiple dimensions, including deepening university-enterprise cooperation by establishing the "Conch Class", strengthening internal analytical capabilities by setting up a research and development testing center, and positioning itself in cutting-edge technology fields by establishing the Shanghai Research and Development Center.



CV New Energy R&D and Testing Center

Deepening Industry-University-Research Collaboration to Establish the "Conch Class" Talent Development Model

During the Reporting Period, CV New Energy established the "Conch Class" with the goal of university-enterprise joint training. This project involves participation from both university faculty and company executives, deepening students' awareness and understanding of industrial practice through a two-way mentoring mechanism. Currently, CV New Energy has cooperated with Anhui Polytechnic University based on this model on the "Development of Fifth-generation High-tap-density Lithium Iron Phosphate Cathode Material" project. A joint working group has been established to collaboratively advance R&D efforts from fundamental theory and simulation characterization to pilot-scale industrialization.

Expanding R&D Presence with the Establishment of the Shanghai Research and Development Center

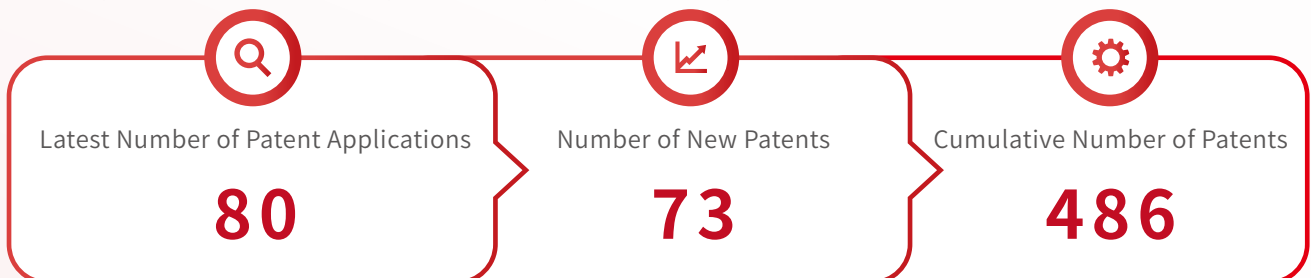
During the Reporting Period, CV New Energy established a research and development center in Shanghai to leverage its locational advantages as an international center for technological innovation. The center focuses on conducting research and development in cutting-edge fields such as solid-state battery materials and key materials for lithium-ion batteries. Currently, the center has completed its initial team formation and system establishment. It has initiated talent recruitment and technical exchanges with relevant universities and enterprises, establishing a foundation for the forward-looking exploration of core technologies.



5.1.2 Protecting Intellectual Property

Conch Venture strictly complies with laws and regulations such as the Trademark Law of the People's Republic of China and the Patent Law of the People's Republic of China. The Group continuously improves its intellectual property management system and comprehensively strengthens the application, protection, and management of intellectual property.

We actively promote the transformation of intellectual property derived from innovation achievements, enhance the level of creation and application efficiency of high-value patents, and effectively facilitate the industrial application of technological achievements. During the Reporting Period, the progress of relevant patent achievements is as follows:



Highlight Patent 1: Optimization of Waste Heat Power Generation System

To address the risk of water carryover in kiln tail steam resulting from energy-saving retrofits of cement production lines, CK Engineering innovatively introduced an optimization solution for waste heat power generation system. This solution involves installing a superheater for steam reheating, which eliminates operational risks while increasing power generation output by approximately 2%. It has been successfully implemented in over 30 projects and was granted a utility model patent during the Reporting Period, validating its technical effectiveness and market value.

Highlight Patent 2: A Disassembly Tool for End-of-life Power Lithium Batteries from New Energy Vehicles

During the Reporting Period, CV Recycling was granted a utility model patent for "a disassembly tool for end-of-life power lithium batteries from new energy vehicles". This tool uses an adjustable fixing structure to accommodate different battery models, combined with an automatic cutting system to achieve efficient and precise disassembly. It significantly improves operational efficiency and reduces safety risks from manual operations, providing technical support for the large-scale recycling of power battery resources.

5.2 Pursuing Excellent Quality

Conch Venture consistently regards quality as the fundamental guarantee for its development, establishing a quality control mechanism that permeates the entire production and operation process. We strengthen refined control in production and operational phases, improve management standards, and continuously promote quality practices involving all employees, ensuring the reliability and stability of all business segments and providing solid support for long-term steady development.

5.2.1 Quality Management System



CV New Energy
ISO 9001 Certification



Anhui Conch Venture Green
IATF 16949 Certification

Conch Venture continuously advanced the development and certification of its quality management system. During the Reporting Period, Hohhot Jiasheng, Jilin Shuangjia, Baotou Pratt, and Conch Venture Green obtained ISO 9001 quality management system certification. As of the end of the Reporting Period, a total of 11 of Conch Venture's subsidiaries had obtained ISO 9001 certification, and one subsidiary had obtained IATF 16949 automotive industry quality management system certification, signifying the continuous expansion of the quality management system's coverage.

5.2.2 Strengthening Quality Control

Conch Venture has formulated and strictly implements the Quality Management System, promoting all subsidiaries to improve their quality management system, standardize management requirements in all aspects of product production and project operation, and implement quality control responsibilities. Focusing on the entire product life cycle and the project construction and operation process, the Group carries out regular quality supervision and inspection. Through systematic inspections, regular assessments, and closed-loop management, it continuously enhances its quality management capabilities and promptly identifies and prevents potential quality risks.

Quality Management Mechanism for the Entire Process of Products

Pre-event Management

- **Incoming Material Inspection**

The Group has established a strict incoming inspection mechanism for key raw materials such as cement, pulp, and quartz sand. Through inspection indicators, status monitoring, and supplier collaboration, the Group ensures the stable quality of incoming materials, thereby controlling product quality at the source

- **Technical Preparation**

The Group summarizes existing production experience and provides advance briefings to relevant personnel. Concurrently, it conducts advanced analysis of product drawings to proactively prevent and tightly control difficult points and error-prone areas in product manufacturing or production

In-process Management

- **Optimization of Testing Methods**

During the Reporting Period, the cathode material project added testing methods such as free lithium, copper color development, magnetic particle inspection for different materials, and coating rate to enhance the comprehensiveness and accuracy of quality inspection

- **KPS Quality Management**

By implementing KPS (Kawasaki Production System) visual quality management, the Group standardizes quality inspections. Visual display boards are created for each product category and placed in each team. These boards are regularly updated with quality cases, training materials, target achievement status, assessment notifications, and briefings, enabling on-site personnel to stay informed about quality issues in a timely manner, thereby strengthening quality awareness among all employees

- **Implementation of KPI Assessment**

The Group has refined the KPI assessment mechanism, establishing indicators covering different functions and levels. It regularly tracks and verifies the achievement of quality objectives, ensuring the effective implementation of quality management requirements at all levels

- **Proactive Quality Inspection**

The Group conducts quality inspections proactively in key processes and workflows, shifting the management focus from post-event supervision to in-process control. It strictly implements in-process quality inspections, summarizes identified issues and risks, follows up on corrective actions, and completes closed-loop verification to systematically manage quality risks

- **Implementation of Resident Supervision and Inspection**

The Group cooperates with local special equipment inspection institutes to conduct resident supervision and inspection. Leveraging the expertise of third parties, it implements on-site quality monitoring throughout the entire production process of special equipment, strengthening process control and safety checks to ensure stable product quality compliance

During the Reporting Period, all boilers and pressure vessels produced by CK Equipment passed resident supervision and inspection by professional institutions and obtained certificates of conformity. Its export projects also passed third-party audits by Lloyds and others. In addition, CK Equipment enhances its whole-process quality management level through measures such as project reviews and management optimization

Post-event Management

- **Quality Review**

Following the completion of product manufacturing, the Group conducts special audits on products based on the issues and potential risks identified during the production phase, aiming to prevent recurrence of similar problems and ensure high-quality delivery

- **Alignment with Standards and Customer Requirements**

The Group continuously monitors industry dynamics and standard updates, introducing advanced testing methods in a timely manner to ensure products meet both internal and external requirements

- **Product Recall Management**

The Group has established clear management methods and handling procedures for the return and recall of non-compliant products with quality issues, potential defects, or safety hazards, ensuring timely response and resolution of quality incidents. During the Reporting Period, no product recalls due to product safety and health issues occurred in any subsidiaries of Conch Venture

While continuously improving the quality management for the whole-process of our products, we have extended quality management to the fields of the engineering construction and project operations. In terms of the engineering construction, we have strengthened quality inspections of the projects under construction. During the Reporting Period, we organized a total of nine specialized inspections on the quality of engineering construction, focusing on structural safety and construction progress control, ensuring that each project was implemented as planned in an orderly manner, with no quality or safety incidents occurring throughout the year. In terms of the quality management for project operation, CK Engineering continuously optimized processes through quarterly ISO system audits, annual internal audits, and external audits, and completed on-site inspections of 25 projects and 193 sets of equipment, holding 11 quality improvement meetings to drive problem rectification, effectively ensuring the stability and improvement of operational quality.



5.2.3 Quality Construction and Capability Enhancement

Conch Venture adheres to the principle of “Quality-oriented”, conducting work around system optimization, capability enhancement, and cultural deepening, promoting problem-solving through special seminars, improving professional skills through skill training, and encouraging the engagement of all staff through themed activities, continuously enhancing the level of quality management and operational efficiency.

Series of Activities of Quality Culture development



Special Seminar to Promote Quality Improvement

During the Reporting Period, Conch Venture focused on core topics such as improving quality and efficiency and high-quality operation, organizing several special seminars throughout the year. In February 2025, we held a special seminar on improving the quality and efficiency of waste-to-energy production and operations in the Guangxi region. Through on-site visits, experience sharing, and discussions, we developed 691 high-quality operation measures and established a mid-level exchange assistance mechanism between special projects in the north and south. In July of the same year, to address the issue of not meeting the per-ton production target, we organized a verification and analysis work meeting for waste-to-energy tonnage, formulating 305 improvement measures. In October, we held a "High-Quality Operation" special seminar at Fuquan Environmental Protection, conducting exchange training around core topics to enhance the quality awareness and professional capabilities of management personnel. Conch Venture promoted experience sharing and collaborative problem-solving through a series of special seminars, continuously deepening quality development.



Skill Trainings Strengthened Quality Foundation

During the Reporting Period, CV Recycling carried out specialized skill trainings focusing on quality inspection and business expansion needs, organized quality inspection capability trainings for production sector, expanded the quality inspection team, and strengthened frontline quality management capabilities. To expand production and business operations, CV Recycling conducted battery pack dismantling training to improve the operational skills of relevant personnel. At the same time, to meet customers' quality requirements for products, CV Recycling organized practical testing training for all employees, strengthening their quality awareness and key indicator testing skills.



“Quality Month” Event Promoted Quality Culture

During the 2025 National “Quality Month” activities, Anhui CV New Energy and CK Equipment actively responded and organized a series of activities around the theme “Digital and Intelligent Driving, Strengthening the Foundation and Chain, creating a New Quality Ecosystem”, including quality improvement seminars, customer visits, special training sessions, pledges, slogan collection, job story presentations, and knowledge quizzes. These activities covered all grassroots positions, effectively enhancing employees' quality awareness and professional capabilities, and consolidating the foundation for quality management implementation.



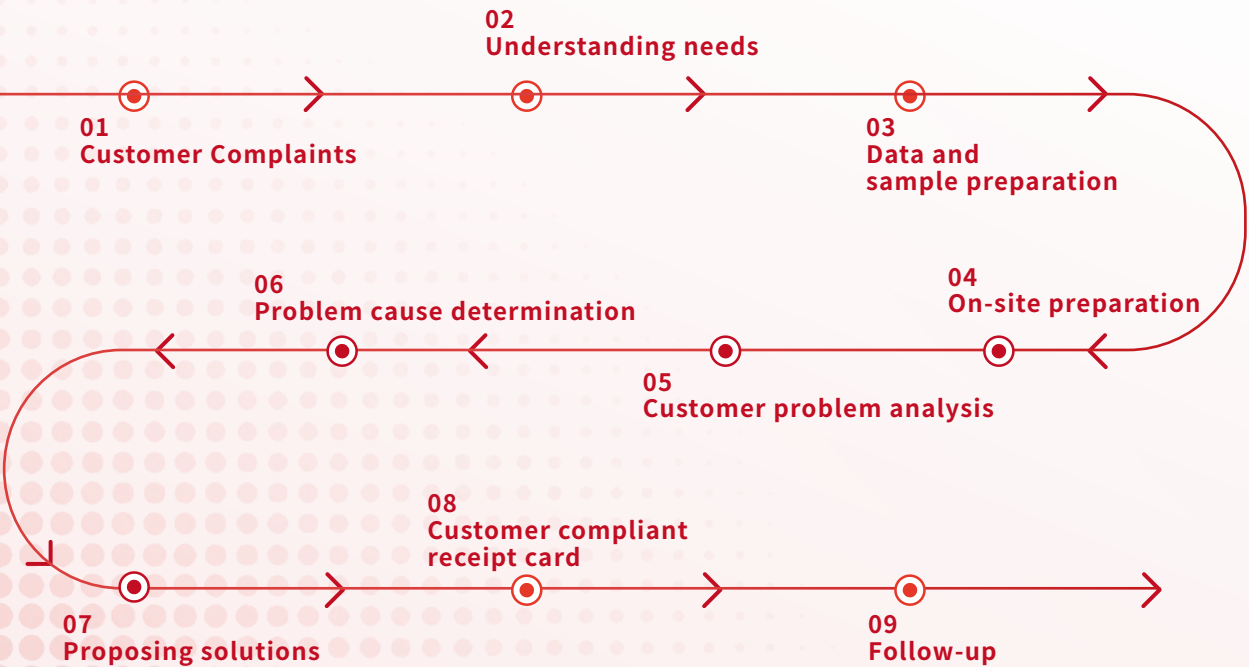
5.3 Optimizing Service Quality

Conch Venture insists on being customer-centered, continuously improving its service system and privacy protection mechanisms, and is committed to creating long-term value for customers through reliable products and services.

5.3.1 Improve Customer Experience

We integrate customer needs throughout the entire business process. Leveraging regular market research, we accurately grasp customer preferences and industry trends, and use this to guide the optimization of products and services. We place great emphasis on maintaining good communication with customers, adjusting service strategies based on feedback in a timely manner, and improving response efficiency and customer satisfaction. To establish standardized service assurance, we have created a customer service system that covers the entire process of pre-sales, in-sales, and after-sales, encompassing different types of products and services, with clear service standards and procedures. For example, in the new panel business, we have formulated rules such as the Sales Service Management Measures and the Interim Measures for Customer Refund (Transfer) Management, providing an implementation basis for related services. We value the collection and handling of customer feedback, establishing rich and diverse feedback channels and an efficient complaint response mechanism to ensure that every suggestion and complaint is responded to promptly and handled through a closed-loop process, promoting continuous improvement in service quality and customer experience. In 2025, Conch Venture received a total of 57 product and service complaints, with a complaint resolution rate of 98%.

Product Compliant Handling Process



Service Complaint Handling Process



In order to continuously improve service quality and optimize the customer experience, Conch Venture continuously enhances its customer satisfaction monitoring system and carries out customer satisfaction surveys across various business sectors. For example, during the Reporting Period, CK Equipment conducted quarterly surveys by on-site visits and phone follow-ups, covering all product types. The annual average customer satisfaction reached 99%, reflecting customers' high recognition of our products and services.

In terms of service optimization, each business unit conducts regular visits and follow-ups in accordance with customer needs, responding promptly and addressing issues that occur during usage. For key clients and complex projects, we provide operational skills training and after-sales follow-up services to help customers improve their operation and maintenance capabilities. Through multi-dimensional service initiatives, we have further solidified customer relationships and continuously improved customer experience.



5.3.2 Protect Customer Privacy

Conch Venture gives priority to customer privacy and strictly abides by the relevant requirements in the Law of the People's Republic of China on the Protection of Consumer Rights and Interests and other laws and regulations. By establishing a comprehensive protection mechanism through awareness raising, contractual constraints, technical safeguards, and daily management, we effectively protect customer privacy and data security.

Key Measures for Customer Privacy Protection

Awareness raising	We carry out basic knowledge training on commercial confidentiality, compliance obligations, and legal responsibilities for all employees to improve their awareness of customer privacy protection.
Legal binding	In the signing of the business cooperation agreements, we clearly define the obligations and responsibilities of each party in data protection to prevent improper infringement.
Technical protection	We store customer data through encrypted storage, and set permissions on the information systems to safeguard data security.
Daily management	We establish an information release approval mechanism and carry out approval procedures for proposed project news and other content to prevent customer information leaks.

5.4 Promoting Responsible Procurement

Guided by a sense of responsibility, Conch Venture integrates sustainable development concepts into its procurement and supply chain operations. By standardizing supplier management and promoting ESG practices within the supply chain, we continuously enhance its resilience and compliance levels, thereby supporting our long-term operations and development.



5.4.1 Supplier Management

We have established and implemented a management mechanism covering supplier access, assessment, and evaluation. This is to continuously optimize the supplier structure, enhance supply quality and stability, and promote the standardization of the procurement process.

◎ Bidding and Access

Conch Venture strictly abides by the Bidding Law of the People's Republic of China and formulates internal systems such as the Procurement Management Measures to provide a systematic basis for the implementation of supplier management. During the Report Period, focusing on the principle of "coordinating resources, standardizing processes, enabling services through empowerment, and improving quality and efficiency", we have formulated new policies including the Interim Measures for Material Supply Management, the Measures for the Management of Material Procurement and Tendering, and the Interim Provisions on Supplier Management. These further clarify the principles and requirements for supplier access and selection, promoting the continuous improvement of management.

◎ Supplier Bidding and Access Standards

Material Suppliers

- We strictly conduct comprehensive scoring of each supplier based on the bidding evaluation criteria, and select the optimal supplier according to the scoring results
- We adhere to the principle of prioritizing quality, price, and reliable supply, and clarify the priority order as follows: manufacturers are preferred over distributors, specialized distributors over general distributors, and suppliers with a history of good cooperation over new suppliers

Engineering Suppliers

- The suppliers to be invited to bid are determined by selecting from the Group's long-term partners or from recommendations of the project company
- We require suppliers to provide relevant qualification documents, which must comply with relevant laws and regulations for constructions projects upon review
- We investigate similar projects built by the supplier in the past three years, focusing on the construction quality, construction safety, contract performance and whether there is any breach of contract in each project
- We check whether potential suppliers have had credit records, capital credit and other hidden dangers

◎ Assessment and Evaluation

In the supplier assessment and evaluation process, we adhere to standardized, process-oriented, and dynamic management. Through annual reviews, performance tracking, and on-site audits, we continuously optimize supplier performance and enhance the sustainability of the supply chain.

Material Suppliers

- We have established a 100-point scoring standard covering delivery timeliness, supply quality, and after-sales service. Suppliers are categorized into three tiers: Excellent, Qualified, and Unqualified. Suppliers with score less than 60 will be eliminated.
- We organize an annual review at least once a year, and in combination with daily tracking and ad-hoc supervision, to conduct continuous evaluation and documentation of suppliers' performance in terms of credit standing, contract fulfilment, quality, price, collaboration, and compliance.

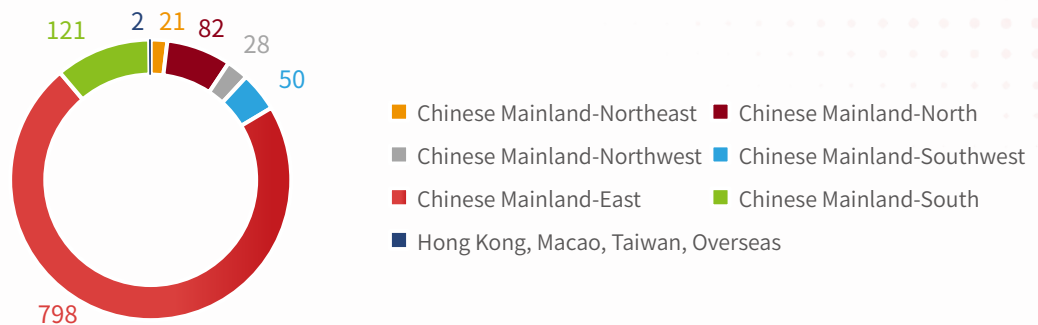
Product Suppliers

- We optimize the supplier assessment indicators and dimensions annually. Through continuous review, evaluation, and re-evaluation, we achieve dynamic management of the supplier system, retaining the outstanding and eliminating the underperforming.
- We conduct regular on-site audits of suppliers to identify and drive improvements in potential problems within key links such as supplier design and development, production, and quality management.

Engineering Suppliers

- In accordance with the Provisions on the Management of Construction Project Tendering, we have formulated standardized scoring sheets for civil engineering, installation, steel structure and enclosure, and supervision units and conduct comprehensive performance evaluation. Suppliers with scores less than 60 will be prohibited from participating in subsequent bidding.
- For related violations such as failure to perform as required by the contract, liquid damages will be deducted in accordance with the contract agreement, and whether to terminate the cooperation will be determined depending on the circumstances; meanwhile, the violations will be included in the supplier evaluation system, and the supplier involved in serious cases will be disqualified from future bidding.

As of the end of the Reporting Period, Conch Venture had a total of 1,102 suppliers and the distribution by region is as follows:



5.4.2 Building a Sustainable Supply Chain

Building on our foundation of supplier management, Conch Venture further integrates the concept of sustainability into the operation of its supply chain. By strengthening risk prevention and control, deepening collaboration, and optimizing procurement mechanisms, we continuously enhance the responsible standards and operational efficiency of the supply chain.

Suppliers' ESG Risks Prevention

Conch Venture places high importance on suppliers' ESG performance. We promote responsible operations across our supply chain through institutional constraints, process control, and result evaluation.

In terms of environmental and safety management, we give priority to suppliers and contractors who have obtained relevant certifications in terms of environmental protection, safety, health, and quality. We sign the "Safety and Environmental Protection Agreement" with suppliers and contractors, which clearly define their environmental protection and safety responsibilities during the construction process. The fulfilment of these agreements is incorporated into their contract management and annual comprehensive performance appraisal.

We also require supervision companies and project companies to regularly monitor contractors' on-site environmental and safety management. Contractors are urged to purchase the construction safety production liability insurance for all labor personnel, and to set up a special deposit account for the workers' wages as required, thereby safeguarding the labor rights and interests of workers. Furthermore, we require suppliers and contractors to implement specific measures during construction, such as standardized site management, dust control, wastewater treatment, and seasonal operation adjustments, in order to continuously fulfil their environmental protection and safety commitments.

In terms of business ethics and compliance, we explicitly incorporate anti-corruption requirements into our tender documents and include relevant clauses in project integrity agreements. We conduct centralized briefings and special training sessions for suppliers and relevant personnel annually to ensure the compliance and transparency of our collaborations.

◎ Supply Chain Collaborative Value Creation

During the Reporting Period, we continued to strengthen in-depth cooperation with our suppliers. Focusing on key areas such as technological enhancement, quality improvement, and market collaboration, we carried out a series of specialized exchanges and joint initiatives.

We organized multiple technical seminars to discuss key processes and product solutions with suppliers. At the same time, through on-site exchanges and targeted feedback, we helped suppliers improve product design and enhance functional suitability, thereby strengthening material quality and supply stability. Additionally, we maintained regular market information exchanges with industry bodies and key partners to jointly analyze industry trends, optimize procurement strategies, and advance the digital upgrade of supply chain management. Through multi-dimensional and regular collaboration, we have built more efficient and reliable partnerships with our suppliers, reinforcing overall supply resilience and collaborative effectiveness.



◎ Enhancing the Efficiency and Capability of the Procurement System

Alongside strengthening suppliers' ESG risks management and capacity building, we are gradually optimizing our internal procurement mechanisms. By promoting localized procurement, introducing digital platforms, and conducting professional trainings, we aim to enhance the transparency and operational efficiency of our supply chain.

We promote localized procurement to optimize our supply network. In tenders for materials such as ammonia water, activated carbon, and hydrated lime, we prioritize high-quality suppliers located in close geographical proximity. By reasonably planning transport radii and supply zones, we aim to reduce logistics costs and enhance response efficiency. We have also introduced a mechanism for recommending local suppliers to expand the coverage of localized supply.

At the same time, we are committed to advancing the capacity building of procurement personnel and the digital transformation of our procurement systems, further enhancing the effectiveness of our supply chain management. During the Reporting Period, Conch Venture held a group-level supply professional training seminar, inviting internal and external experts to deliver systematic lectures on topics such as strategic vision, legal risks, integrity prevention and control, and practical operations, which were complemented by team-building activities, significantly enhancing the compliance and integrity risk prevention capabilities of supply personnel, and effectively strengthening their sense of responsibility, risk identification skills, and professional expertise. In addition, we continuously advanced the development of a compliance culture by signing integrity responsibility agreements with all employees, conducting quarterly special integrity training, and displaying integrity-related workplace signage. These measures integrated ESG principles and compliance requirements into daily procurement operations, improving the ability of procurement-related personnel to perform their duties in building a sustainable supply chain.

Application of Digital Procurement Platform

- During the Reporting Period, Conch Venture accelerated the digital transformation of its supply chain procurement processes by fully implementing a cloud-based material management system. This enabled a closed-loop digital management across the entire workflow, from procurement and warehousing to material requisition, effectively addressing key challenges such as excessive procurement and inventory backlog, while enhancing overall supply efficiency. At the same time, to further integrate diverse supplier resources and enhance supply chain resilience, we have proactively introduced leading industrial e-commerce procurement platforms such as JD Industrial as channels for auxiliary material procurement. Leveraging the platforms' access control audits for onboarded suppliers and their full-process quality control management, we ensure that the quality of procured materials complies with relevant national and corporate standards. In addition, through the platform's transparent pricing mechanism and standardized procurement procedures, we ensure that procurement activities are traceable and subject to supervision, thereby enhancing the standardization of procurement management.

Sharing the Future, Doing Good to Achieve Great Results

Adhering to the forefront of the environmental protection industry, Conch Venture remains committed to its original aspiration and mission of “serving society and giving back to society”. Leveraging its profound technological expertise and the synergistic capabilities of its full industry chain, it proactively engages in sustainable development practices. We maintain sustained commitment in key areas such as the environment, education, and the community, driving the positive flow of resources to promote the synergy and alignment of corporate growth and social progress. We strive to achieve an organic integration of economic, environmental, and social benefits.

6.1 Green Value Creation

Driven by both the backdrop of global climate change trends and the national “Carbon Peaking and Carbon Neutrality”, Conch Venture remains deeply committed to the environmental protection sector, focusing on environmental challenges. We proactively explore pathways for green transformation, and earnestly undertake the responsibility and mission of constructing a beautiful China.

Green energy conversion

During the Reporting Period, Conch Venture achieved energy regeneration through waste incineration power generation, with cumulative power generation exceeding 6.4 billion kWh, equivalent to a saving of approximately 2.15 million tonnes of standard coal, reducing CO₂ equivalent emissions by about 6.63 million tonnes, and supplying around 700,000 tonnes of steam for external sales. These efforts have provided robust support for the green transformation of the regional energy structure and the realization of the dual carbon goals.

Water revitalization

During the Reporting Period, Conch Venture significantly reduced freshwater intake and wastewater discharge through advanced water treatment technologies. A total of 9.92 million tonnes of water was recycled for resource utilization, greatly lowering reliance on freshwater resources. The Company achieved efficient closed-loop management of water resources, effectively alleviating regional water resource pressure.

Turning waste into wealth

In 2025, Conch Venture collaboratively disposed of approximately 230,000 tonnes of food waste and about 570,000 tonnes of sludge, distiller's residue, etc., achieving the reduction, stabilization, and harmless disposal of solid waste. The Company cumulatively sold approximately 4.654 million tonnes of slag, which was widely used in construction and infrastructure development, injecting sustainable energy into the development of zero-waste cities and green industrial chains.

Clean air escort

In 2025, Conch Venture successfully reduced its cumulative emissions of particulate matter by 29.2 tonnes and carbon monoxide by 23.6 tonnes through the adoption of advanced flue gas purification systems and meticulous whole-process control. All emission indicators were maintained well below national limits, significantly mitigating potential impacts on ambient air quality and public health, thereby contributing to the preservation of clean air and community well-being.



6.2 Industry Co-Construction

Conch Venture is closely following the latest developments in industry technology, proactively integrating into the industrial ecosystem, strengthening cross-sector collaboration, and striving to build an open, collaborative, and mutually beneficial sustainable development partnership framework. In 2025, multiple subsidiaries of the Group actively participated in exchange activities related to the environmental protection business and the new energy industry, effectively promoting technological exchanges and business expansion.

Conch Venture was invited to attend the 10th International Summit on Power Battery Applications

In 2025, Conch Venture was invited to attend the 10th International Summit on Power Battery Applications (CBIS 2025) and delivered a keynote speech entitled “Industrial Cross-Border Integration · Green Power Circular Empowerment” at the opening ceremony. As a representative enterprise that has expanded from the environmental protection sector into the lithium-ion battery industry, Conch Venture has initially established an integrated new energy lithium-ion battery industry chain centered on the manufacturing of lithium-ion battery cathode and anode materials, resource recycling, and lithium battery end-use applications. It is building a new lithium-ion battery industrial ecosystem with distinctive Conch Venture characteristics, providing a new perspective for the high-quality development of the industry.



Conch Venture signed a strategic cooperation agreement with EVE Energy



Conch Venture was invited to participate in the world's first Commercial Vehicle Battery Technology Day held in Huizhou, Guangdong, and signed a strategic cooperation agreement with EVE Energy. Relying on its industrial foundation in the production of cathode and anode materials and lithium battery recycling, combined with EVE Energy's technological advantages in the new energy field, Conch Venture promotes synergy across the material production, battery manufacturing, and recycling sectors. The two parties are engaged in technological cooperation focused on the efficient use of resources and the energy transition, fostering the circular development of the new energy industry chain.

Conch Venture signed a strategic cooperation framework agreement with the People's Government of Li County, Hunan Province

During the Reporting Period, Conch Venture officially entered into a strategic cooperation framework agreement with the People's Government of Li County, Hunan Province, pursuant to which the parties intend to promote key projects in Li County, including the recycling and utilization of new energy materials, piped steam supply and food waste treatment. This cooperation marked a new phase of synergy between the two parties in the fields of environmental protection and new energy, injecting sustainable momentum into the region's green and low-carbon development. Conch Venture will leverage its strengths in capital, technology, and management to diligently fulfill its corporate social responsibilities and support the green development of Li County.



Three New Energy Industries Jointly Present at the 17th Shenzhen International Battery Technology Conference



In 2025, the three major sectors of Conch New Energy, Sichuan Shangwei New Energy and Conch Circular Economy made a joint appearance at the 17th Shenzhen International Battery Technology Conference & Exhibition (CIBF 2025). During the exhibition, Conch Venture welcomed every visiting customer with enthusiasm and professionalism, and conducted in-depth exchanges with upstream and downstream customers, partners and industry experts from all over the world. In 2025, the three major sectors of Conch New Energy, Sichuan Shangwei New Energy and Conch Circular Economy made a joint appearance at the 17th Shenzhen International Battery Technology Conference & Exhibition (CIBF 2025). During the exhibition, Conch Venture welcomed every visiting customer with enthusiasm and professionalism, and conducted in-depth exchanges with upstream and downstream customers, partners and industry experts from all over the world.

CK Shanghai participated in the 9th Asian Waste Management and Waste-to-Energy Summit

In 2025, the 9th Asia Waste Management and Waste-to-Energy Summit, organized by INBC Global, was held in Bangkok, Thailand. The summit brought together government agencies, investment enterprises, technology suppliers, and industry experts from over ten countries and regions, including China, Japan, South Korea, Germany, the Netherlands, the United States, India, Malaysia, Sri Lanka, and Thailand. CK Shanghai was invited to participate in the exhibition, engaging in in-depth dialogue with international peers to discuss industry trends and cooperation opportunities. The participation contributed to regional sustainable development and highlighted the Company's sense of responsibility and professional value in global environmental governance.



6.3 Creating Enduring Social Value

Conch Venture upholds the mission of "creating a better home for the future of mankind" and actively responds to social concerns through initiatives such as environmental protection education, targeted donations, and educational support, ensuring its responsibilities are tangibly fulfilled and its contributions are visibly felt. During the Reporting Period, the subsidiaries of the Group received a total of 1,127 social visits, with a total of over 10,000 visitors.



6.3.1 Environmental Education

We attach great importance to the dissemination of environmental protection concepts and continue to deepen public environmental education practices. We conduct diversified educational activities, such as plant tours and public open days, targeting various groups to promote the public's awareness of environmental protection and help build a pattern of green ecological co-construction involving the entire population. At the end of the Reporting Period, Conch Venture has opened 88 environmental protection facilities to the public, providing a professional platform for promoting environmental education for all.



Conch Venture's "World Environment Day (June 5th)" Series of Activities

In June 2025, a number of subsidiaries under Conch Venture carefully organized a series of promotional activities, including environmental education public open days, centering on the theme of World Environment Day "Beautiful China, I Take Action". Featuring innovative forms and rich content, the activities fully demonstrated the Company's development philosophy and practical achievements in ecological and environmental protection, striking a chord for green and high-quality development in the new era.

Protecting the Clear Yangtze River — Yangzhou Haichang Launches Public Welfare Activity to Clean Up Shoreline Waste Training Program visited the waste-to-energy project

In August 2025, guided by the principle of protecting the Yangtze River ecology and practicing green environmental protection, Yangzhou Haichang organized more than 20 employees to carry out a voluntary beach cleaning campaign themed "Join Me in Cleaning the Beach to Protect the Clear Yangtze River". This activity is not only a practical measure for the Company to fulfill its environmental responsibilities, but also strengthened employees' environmental awareness and team cohesion. Going forward, Yangzhou Haichang will establish a regular beach cleaning and inspection mechanism, extend environmental public welfare initiatives across the entire port area, and support the construction of a modern port with the concept of green development.



Anhui Polytechnic University's Conch Venture Class

Conch Venture and Anhui Polytechnic University have jointly launched the "Conch Venture Class" talent cultivation program, exploring a collaborative path for cultivating high-quality applied talents in the fields of environmental protection and new energy. The program adopts a university-enterprise co-construction mechanism, leveraging the university's teaching staff for theoretical instruction while incorporating the Company's practical resources, arranging mentor-led courses, project-based training, and corporate visits. Students participate in both coursework and practical sessions, gaining a comprehensive understanding of the application of environmental technologies and the current state of development in the green industry.

Jinzhai CV Featured in Provincial Media for Turning Waste into Treasure

Jinzhai CV was invited to participate in a special interview for the "Green Anhui" segment of Anhui Radio and Television's program "Anhui Economic Life - Immediate News (安徽经济生活第一時間)". The program, themed "The Transformation of Waste," featured on-site explorations of the entire waste-to-energy process, technical expert explanations, and interviews with frontline staff. It vividly presented the Company's innovative practices in municipal solid waste resource treatment, efficient clean energy conversion, and the fulfillment of social responsibilities, comprehensively showcasing the vivid picture of how green technology empowers urban sustainable development, and helping the public understand the environmental power of turning waste into treasure.



6.3.2 Better Society

Focusing on grassroots needs and acting with goodwill, we continuously carry out charitable initiatives through various forms such as material donations, infrastructure support, and rural assistance visits. With practical actions, we contribute to rural revitalization and the improvement of people's livelihoods, demonstrating the Company's compassion and commitment to responsibility.

Tongren CV Donated Materials and Supported Public Infrastructure Development

In January 2025, Tongren CV donated consolation supplies to the Patriotic and Military Support Association of Bijiang District, and donated cement to Changzheng Village, Dalu Town, Songtao County, Tongren City to support the construction of local public infrastructure. These efforts effectively boosted rural revitalization and the improvement of people's livelihood at the grassroots level, demonstrating the enterprise's sense of responsibility to grow together with society in its development.



Pingguo CV Carried out Rural Assistance Visits

Pingguo CV, as an environmental protection company focused on the waste-to-energy business, has always adhered to the development philosophy of "turning waste into treasure and promoting circular coexistence." In 2025, in response to the call of the "Rural Revitalization - Committee Members in Action" initiative, the Company visited Minjiang Village in Jiucheng Town to conduct rural assistance activities, deeply integrating its environmental philosophy with rural development. Through material donations and on-site visits, Pingguo CV effectively conveyed corporate care, contributed to improving rural livelihoods, and fulfilled its social responsibilities through concrete actions, helping to establish green concepts at the grassroots level.

Bole CV Invited to Participate in the 23rd Sanitation Workers' Day and Commendation Conference

On May 26, 2025, Bole City held the 23rd Sanitation Workers' Day and Commendation Conference. Bole CV, as a representative of outstanding environmental protection enterprises, was invited to attend the event and donated care supplies such as bottled water and flour to frontline sanitation workers, demonstrating profound care and high respect for these "city beauticians" through concrete actions. This event not only conveyed the Company's warmth but also highlighted Conch Venture's proactive commitment to fulfilling social responsibilities and caring for grassroots workers, further fostering positive interactions and a sense of connection between the enterprise and the community.



Yangzhou Haichang Continues to Care for Impoverished Rural Communities

Since 2024, Yangzhou Haichang has actively responded to the call of the Village Committee of Qianjin Village, Daqiao Town, Jiangdu District, Yangzhou City, by donating supplies to impoverished villagers during the Mid-Autumn Festival and the Chinese New Year each year. This initiative aims to care for vulnerable groups at the grassroots level, convey the Company's warmth, and promote positive interactions between the enterprise and the villagers. Yangzhou Haichang's sustained charitable actions reflect the Company's long-term commitment to fulfilling its social responsibilities, integrating care into daily operations and helping to build a community ecosystem of shared development, joint governance, and mutual benefits.



Appendix

Environmental, Social and Governance Reporting Code Content Index

Part C: “Comply or Explain” Provisions

Subject Areas, Aspects, General Disclosures and KPIs			Section
Environmental			
A1: Emissions	General Disclosures	Information on: (a) The policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issue relating to air emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	3.3 Optimizing Emission Management
	KPI A1.1	The types of emissions and respective emissions data.	Appendix: ESG Data
	KPI A1.2	Deleted on 1 January 2025	/
	KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Appendix: ESG Data
	KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate intensity (e.g. per unit of production volume, per facility).	Appendix: ESG Data
	KPI A1.5	Description of emissions target(s) set and steps taken to achieve them.	3.5 Tackling Climate Change
	KPI A1.6	Description of how hazardous and non-hazardous wastes are handled and a description of reduction target(s) set and steps taken to achieve them.	3.3 Optimizing Emission Management
A2: Use of Resources	General Disclosures	Policies on the efficient use of resources, including energy, water and other raw materials.	3.4 Practicing the Philosophy of Conservation
	KPI A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	3.5 Tackling Climate Change
	KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	Appendix: ESG Data
	KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	3.5 Tackling Climate Change
	KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	3.4 Practicing the Philosophy of Conservation
	KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	Appendix: ESG Data
A3: The Environ- ment and Natural Resources	General Disclosures	Policies on minimizing the issuer's significant impacts on the environment and natural resources.	3.2 Deepening Green Management
	KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	3.2 Deepening Green Management

ESG Areas, General Disclosures and KPIs			Section
A4: Climate Change	Deleted on 1 January 2025		/
	KPI A4.1	Deleted on 1 January 2025	/
Social			
B1: Employment	General Disclosures	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	4.1 Building a Diverse Workplace
	KPI B1.1	Total workforce by gender, employment type (for example, full- or part time), age group and geographical region.	Appendix: ESG Data
	KPI B1.2	Employee turnover rate by gender, age group and geographical region.	Appendix: ESG Data
B2: Health and Safety	General Disclosures	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	4.4 Health and Safety Protection
	KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	Appendix: ESG Data
	KPI B2.2	Lost days due to work injury.	Appendix: ESG Data
	KPI B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	4.4 Health and Safety Protection
B3: Development and Training	General Disclosures	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	4.2 Empowering Talent
	KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	Appendix: ESG Data
	KPI B3.2	The average training hours completed per employee by gender and employee category.	Appendix: ESG Data
B4: Labour Standards	General Disclosures	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labor.	4.1 Building a Diverse Workplace
	KPI B4.1	Description of measures to review employment practices to avoid child and forced labor.	4.1 Building a Diverse Workplace
	KPI B4.2	Description of steps taken to eliminate such practices when discovered.	4.1 Building a Diverse Workplace

ESG Areas, General Disclosures and KPIs			Section
B5: Supply Chain Management	General Disclosures	Policies on managing environmental and social risks of the supply chain.	5.4 Promoting Responsible Procurement
	KPI B5.1	Number of suppliers by geographical region.	5.4 Promoting Responsible Procurement
	KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	5.4 Promoting Responsible Procurement
	KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	5.4 Promoting Responsible Procurement
	KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	5.4 Promoting Responsible Procurement
B6: Product Responsibility	General Disclosures	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	5.2 Pursuing Excellent Quality 5.3 Optimizing Service Quality
	KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Appendix: ESG Data
	KPI B6.2	Number of products and service related complaints received and how they are dealt with.	5.3 Optimizing Service Quality
	KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	5.1 Driving Innovation
	KPI B6.4	Description of quality assurance process and recall procedures.	5.2 Pursuing Excellent Quality
	KPI B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	5.3 Optimizing Service Quality
B7: Anti-Corruption	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	2.3 Integrity of Governance
	KPI B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	2.3 Integrity of Governance
	KPI B7.2	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored.	2.3 Integrity of Governance
	KPI B7.3	Description of anti-corruption training provided to directors and staff	2.3 Integrity of Governance
B8: Community Investment	General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	6.3 Creating Enduring Social Value
	KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labor needs, health, culture, sport).	6.1 Green Value Creation 6.3 Creating Enduring Social Value
	KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	Appendix: ESG Data

Part D: Climate-Related Disclosures

Part D: Climate-Related Disclosures Requirements		Section
(I) Governance	1. Issuers shall disclose information on the following aspects: (a) the information of governance body(s) (which can include a board, committee or equivalent body charged with governance) or individual(s) responsible for oversight of climate-related risks and opportunities. Specifically, the issuer shall identify that body(s) or individual(s) and disclose information about:	
	(i) how the body(s) or individual(s) determines whether it currently or in the future has the appropriate skills and competencies to oversee the strategies to address climate-related risks and opportunities;	3.5.1 Governance
	(ii) how and how often the body(s) or individual(s) is informed about climate-related risks and opportunities;	3.5.1 Governance
	(iii) how the body(s) or individual(s) considers climate-related risks and opportunities in the process of overseeing the issuer's strategies, major transaction decisions and risk management procedures and related policies, including whether the body(s) or individual(s) has considered trade-offs related to such climate-related risks and opportunities;	3.5.1 Governance
	(iv) how the body(s) or individual(s) oversees the formulation of goals related to climate-related risks and opportunities and monitors progress towards achieving compliance (see paragraphs 19 to 22), including whether and how relevant performance indicators are incorporated into remuneration policies (see paragraph 17); and	3.5.4 Metrics and Targets
	(b) management's role in the governance processes, controls and procedures used to monitor, manage and oversee climate-related risks and opportunities, including information about:	
	(i) whether the role is delegated to a specific management-level position or management-level committee and how oversight is exercised over that position or committee; and	3.5.1 Governance
	(ii) whether management uses controls and procedures to support the oversight of climate-related risks and opportunities and, if so, how these controls and procedures are integrated with other internal functions.	3.5.1 Governance
(II) Strategy	Climate-related risks and opportunities 2. An issuer shall disclose information to enable an understanding of climate-related risks and opportunities that could reasonably be expected to affect the issuer's cash flows, its access to finance or cost of capital over the short, medium or long term. Specifically, the issuer shall:	
	(a) describe climate-related risks and opportunities that could reasonably be expected to affect the issuer's cash flows, its access to finance or cost of capital over the short, medium or long term;	3.5.2 Strategy
	(b) explain, for each climate-related risk the issuer has identified, whether the issuer considers the risk to be a climate-related physical risk or climate-related transition risk;	3.5.2 Strategy
	(c) specify, for each climate-related risk and opportunity the issuer has identified, over which time horizons – short, medium or long term – the effects of each climate-related risk and opportunity could reasonably be expected to occur; and	3.5.2 Strategy
	(d) explain how the issuer defines 'short term', 'medium term' and 'long term' and how these definitions are linked to the planning horizons used by the issuer for strategic decision-making.	3.5.2 Strategy

Part D: Climate-Related Disclosures Requirements		Section
(II) Strategy	<p>Business model and value chain</p> <p>3. An issuer shall disclose information that enables an understanding of the current and anticipated effects of climate-related risks and opportunities on the issuer's business model and value chain. Specifically, the issuer shall disclose:</p>	
	(a) a description of the current and anticipated effects of climate-related risks and opportunities on the issuer's business model and value chain; and	3.5.2 Strategy
	(b) a description of where in the issuer's business model and value chain climate-related risks and opportunities are concentrated (for example, geographical areas, facilities and types of assets).	3.5.2 Strategy
	<p>Strategy and decision making</p> <p>4. An issuer shall disclose information that enables an understanding of the effects of climate-related risks and opportunities on the issuer's strategy and decision-making. Specifically, the issuer shall disclose:</p> <p>(a) information about how the issuer has responded to, and plans to respond to, climate-related risks and opportunities in its strategy and decision-making, including how the issuer plans to achieve any climate-related targets it has set and any targets it is required to meet by law or regulation. Specifically, the issuer shall disclose information about:</p>	
	(i) current and anticipated changes to the issuer's business model, including its resource allocation, to address climate-related risks and opportunities;	3.5.2 Strategy
	(ii) current and anticipated adaptation and mitigation efforts (whether direct or indirect);	3.5.2 Strategy
	(iii) any climate-related transition plan the issuer has (including information about key assumptions used in developing its transition plan, and dependencies on which the issuer's transition plan relies), or an appropriate negative statement where the issuer does not have a climate-related transition plan;	3.5.2 Strategy
	(iv) how the issuer plans to achieve any climate-related targets (including any greenhouse gas emissions targets (if any)), described in accordance with paragraphs 19 to 22.	3.5.2 Strategy
	(b) information about how the issuer is resourcing, and plans to resource, the activities disclosed in accordance with paragraph 4(a).	3.5.2 Strategy
	5. Issuers shall disclose the progress of their plans in accordance with paragraph 4(a) during each previous reporting period.	3.5.2 Strategy
	<p>Financial position, financial performance and cash flows</p> <p>Current financial effect</p> <p>6. An issuer shall disclose qualitative and quantitative information about:</p>	
	(a) how climate-related risks and opportunities have affected its financial position, financial performance and cash flows for the reporting period; and	3.5.2 Strategy
	(b) the climate-related risks and opportunities identified in paragraph 6 (a) for which there is a significant risk of a material adjustment within the next annual reporting period to the carrying amounts of assets and liabilities reported in the related financial statements.	3.5.2 Strategy

Part D: Climate-Related Disclosures Requirements	Section	
(II) Strategy	Financial position, financial performance and cash flows Anticipated financial effect 7. The issuer shall provide qualitative and quantitative disclosures about: (a) how the issuer expects its financial position to change over the short, medium and long term, given its strategy to manage climate-related risks and opportunities, taking into consideration:	
	(i) its investment and disposal plans; and	3.5.2 Strategy
	(ii) its planned sources of funding to implement its strategy; and	3.5.2 Strategy
	(b) how the issuer expects its financial performance and cash flows to change over the short, medium and long term, given its strategy to manage climate-related risks and opportunities.	3.5.2 Strategy
	Climate resilience 8. An issuer shall disclose information that enables an understanding of the resilience of the issuer's strategy and business model to climate-related changes, developments and uncertainties, taking into consideration the issuer's identified climate-related risks and opportunities. An issuer shall use climate-related scenario analysis to assess its climate resilience using an approach that is commensurate with an issuer's circumstances. In providing quantitative information, the issuer may disclose a single amount or a range. Specifically, the issuer shall disclose: (a) the issuer's assessment of its climate resilience as at the reporting date, which shall enable an understanding of:	
	(i) the implications, if any, of the issuer's assessment for its strategy and business model, including how the issuer would need to respond to the effects identified in the climate-related scenario analysis;	3.5.2 Strategy
	(ii) the significant areas of uncertainty considered in the issuer's assessment of its climate resilience; and	3.5.2 Strategy
	(iii) the issuer's capacity to adjust, or adapt its strategy and business model to climate change over the short, medium or long term.	3.5.2 Strategy
	(b) how and when the climate-related scenario analysis was carried out, including:	
	(i) information about the inputs used, including: (1) which climate-related scenarios the issuer used for the analysis and the sources of such scenarios (2) whether the analysis included a diverse range of climate-related scenarios (3) whether the climate-related scenarios used for the analysis are associated with climate-related transition risks or climate-related physical risks (4) whether the issuer used, among its scenarios, a climate-related scenario aligned with the latest international agreement on climate change (5) why the issuer decided that its chosen climate-related scenarios are relevant to assessing its resilience to climate-related changes, developments or uncertainties (6) time horizons the issuer used in the analysis (7) what scope of operations the issuer used in the analysis (for example, the operation, locations and business units used in the analysis)	3.5.2 Strategy
	(ii) the key assumptions the issuer made in the analysis; and	3.5.2 Strategy
	(iii) the reporting period in which the climate-related scenario analysis was carried out.	3.5.2 Strategy

Part D: Climate-Related Disclosures Requirements		Section
(III) Risk Management	9. An issuer shall disclose information about: (a) the processes and related policies it uses to identify, assess, prioritise and monitor climate-related risks, including information about:	
	(i) the inputs and parameters the issuer uses (for example, information about data sources and the scope of operations covered in the processes);	3.5.2 Strategy 3.5.3 Risk Management
	(ii) whether and how the issuer uses climate-related scenario analysis to inform its identification of climate-related risks;	3.5.2 Strategy 3.5.3 Risk Management
	(iii) how the issuer assesses the nature, likelihood and magnitude of the effects of those risks (for example, whether the issuer considers qualitative factors, quantitative thresholds or other criteria);	3.5.2 Strategy 3.5.3 Risk Management
	(iv) whether and how the issuer prioritises climate-related risks relative to other types of risks;	3.5.2 Strategy 3.5.3 Risk Management
	(v) how the issuer monitors climate-related risks; and	3.5.3 Risk Management
	(vi) whether and how the issuer has changed the processes it uses compared with the previous reporting period;	3.5.3 Risk Management
	(b) the processes the issuer uses to identify, assess, prioritise and monitor climate-related opportunities (including information about whether and how the issuer uses climate-related scenario analysis to inform its identification of climate-related opportunities); and	3.5.3 Risk Management
	(c) the extent to which, and how, the processes for identifying, assessing, prioritising and monitoring climate-related risks and opportunities are integrated into and inform the issuer's overall risk management process.	3.5.3 Risk Management
(IV) Metrics and Targets	Greenhouse gas emissions 10. An issuer shall disclose its absolute gross greenhouse gas emissions generated during the reporting period, expressed as metric tons of CO ₂ equivalent, classified as:	3.5.4 Metrics and Targets
	(a) Scope 1 greenhouse gas emissions;	3.5.4 Metrics and Targets
	(b) Scope 2 greenhouse gas emissions; and	3.5.4 Metrics and Targets
	(c) Scope 3 greenhouse gas emissions.	3.5.4 Metrics and Targets
	11. An issuer shall: (a) measure its greenhouse gas emissions in accordance with the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004) unless required by a jurisdictional authority or another exchange on which the issuer is listed to use a different method for measuring greenhouse gas emissions;	3.5.4 Metrics and Targets
	b) disclose the approach it uses to measure its greenhouse gas emissions including:	
	(i) the measurement approach, inputs and assumptions the issuer uses to measure its greenhouse gas emissions;	3.5.4 Metrics and Targets

Part D: Climate-Related Disclosures Requirements	Section	
(IV) Metrics and Targets	(ii) the reason why the issuer has chosen the measurement approach, inputs and assumptions it uses to measure its greenhouse gas emissions; and 3.5.4 Metrics and Targets	
	(iii) any changes the issuer made to the measurement approach, inputs and assumptions during the reporting period and the reasons for those changes; 3.5.4 Metrics and Targets	
	(c) for Scope 2 greenhouse gas emissions disclosed in accordance with paragraph 10(b), disclose its location-based Scope 2 greenhouse gas emissions, and provide information about any contractual instruments that is necessary to enable an understanding of the issuer's Scope 2 greenhouse gas emissions; and 3.5.4 Metrics and Targets	
	(d) for Scope 3 greenhouse gas emissions disclosed in accordance with paragraph 10(c), disclose the categories included within the issuer's measure of Scope 3 greenhouse gas emissions, in accordance with the Scope 3 categories described in the Greenhouse Gas Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard (2011). 3.5.4 Metrics and Targets	
	Climate-related transition risks 12. An issuer shall disclose the amount and percentage of assets or business activities vulnerable to climate-related transition risks. 3.5.2 Strategy	
	Climate-related physical risks 13. An issuer shall disclose the amount and percentage of assets or business activities vulnerable to climate-related physical risks. 3.5.2 Strategy	
	Climate-related opportunities 14. An issuer shall disclose the amount and percentage of assets or business activities aligned with climate-related opportunities. 3.5.2 Strategy	
	Capital deployment 15. An issuer shall disclose the amount of capital expenditure, financing or investment deployed towards climate-related risks and opportunities. 5.1.1 Deepening Innovation Practice	
	Internal carbon prices 16. An issuer shall disclose:	
	(a) an explanation of whether and how the issuer is applying a carbon price in decisionmaking (for example, investment decisions, transfer pricing, and scenario analysis); and 3.5.4 Metrics and Targets	
	(b) the price of each metric tonne of greenhouse gas emissions the issuer uses to assess the costs of its greenhouse gas emissions; or an appropriate negative statement that the issuer does not apply a carbon price in decision-making. 3.5.4 Metrics and Targets	
	Remuneration 17. An issuer shall disclose whether and how climate-related considerations are factored into remuneration policy, or an appropriate negative statement. This may form part of the disclosure under paragraph 1(a)(iv). 3.5.4 Metrics and Targets	

Part D: Climate-Related Disclosures Requirements		Section
(IV) Metrics and Targets	<p>Industry-based metrics</p> <p>18. An issuer is encouraged to disclose industry-based metrics that are associated with one or more particular business models, activities or other common features that characterise participation in an industry. In determining the industry-based metrics that the issuer discloses, an issuer is encouraged to refer to and consider the applicability of the industry-based metrics associated with disclosure topics described in the IFRS S2 Industry-based Guidance on implementing Climate-related Disclosures and other industry-based disclosure requirements prescribed under other international ESG reporting frameworks.</p>	Appendix ESG Data
	<p>Climate-related targets</p> <p>19. An issuer shall disclose (a) the qualitative and quantitative climate-related targets the issuer has set to monitor progress towards achieving its strategic goals; and (b) any targets the issuer is required to meet by law or regulation, including any greenhouse gas emissions targets. For each target, the issuer shall disclose:</p>	
	(a) the metric used to set the target;	3.5.4 Metrics and Targets
	(b) the objective of the target (for example, mitigation, adaptation or conformance with science-based initiatives);	3.5.4 Metrics and Targets
	(c) the part of the issuer to which the target applies (for example, whether the target applies to the issuer in its entirety or only a part of the issuer, such as a specific business unit or geographic region);	3.5.4 Metrics and Targets
	(d) the period over which the target applies;	3.5.4 Metrics and Targets
	(e) the base period from which progress is measured;	3.5.4 Metrics and Targets
	(f) milestones or interim targets (if any);	3.5.4 Metrics and Targets
	(g) if the target is quantitative, whether the target is an absolute target or an intensity target; and	3.5.4 Metrics and Targets
	(h) how the latest international agreement on climate change, including jurisdictional commitments that arise from that agreement, has informed the target.	3.5.4 Metrics and Targets
	20. An issuer shall disclose information about its approach to setting and reviewing each target, and how it monitors progress against each target, including:	
	(a) whether the target and the methodology for setting the target has been validated by a third party;	3.5.4 Metrics and Targets
	(b) the issuer's processes for reviewing the target;	3.5.4 Metrics and Targets
	(c) the metrics used to monitor progress towards reaching the target; and	3.5.4 Metrics and Targets
	(d) any revisions to the target and an explanation for those revisions.	3.5.4 Metrics and Targets
	21. An issuer shall disclose information about its performance against each climate-related target and an analysis of trends or changes in the issuer's performance.	3.5.4 Metrics and Targets
	22. For each greenhouse gas emissions target disclosed in accordance with paragraphs 19 to 21, an issuer shall disclose:	
	(a) which greenhouse gases are covered by the target;	3.5.4 Metrics and Targets
	(b) whether Scope 1, Scope 2 or Scope 3 greenhouse gas emissions are covered by the target;	3.5.4 Metrics and Targets
	(c) whether the target is a gross greenhouse gas emissions target or a net greenhouse gas emissions target. If the issuer discloses a net greenhouse gas emissions target, the issuer is also required to separately disclose its associated gross greenhouse gas emissions target;	3.5.4 Metrics and Targets
(d) whether the target was derived using a sectoral decarbonisation approach; and	No	

Part D: Climate-Related Disclosures Requirements	Section	
(IV) Metrics and Targets	(e) the issuer's planned use of carbon credits to offset greenhouse gas emissions to achieve any net greenhouse gas emissions target. In explaining its planned use of carbon credits, the issuer shall disclose:	
	(i) the extent to which, and how, achieving any net greenhouse gas emissions target relies on the use of carbon credits;	Not Applicable
	(ii) which third-party scheme(s) will verify or certify the carbon credits;	Not Applicable
	(iii) the type of carbon credit, including whether the underlying offset will be nature-based or based on technological carbon removals, and whether the underlying offset is achieved through carbon reduction or removal; and	Not Applicable
	(iv) any other factors necessary to enable an understanding of the credibility and integrity of the carbon credits the issuer plans to use (for example, assumptions regarding the permanence of the carbon offset).	Not Applicable
	Applicability of cross-industry metrics and industry-based metrics 23. In preparing disclosures to meet the requirements in paragraphs 3 to 8 and 19 to 20, an issuer shall refer to and consider the applicability of cross-industry metrics (see paragraphs 10 to 17) and (ii) industry-based metrics (see paragraph 18).	Appendix ESG Data



ESG Data

Environmental Data

Performance indicators	Unit	Data of 2025
Business revenue	RMB1,000,000	6,548
Nitrogen oxides (NOx) emissions	Tonne	10,698.36
Sulfur dioxide (SO ₂) emissions	Tonne	2,821.53
Particulate matter emissions	Tonne	305.31
Carbon monoxide (CO) emissions	Tonne	724.61
Hydrogen Chloride (HCl) emissions	Tonne	1,228.20
Scope 1 greenhouse gas emissions	Tonne of CO ₂ e	53,694.61
Scope 2 greenhouse gas emissions (Based on location)	Tonne of CO ₂ e	106,564.98
Scope 3 greenhouse gas emissions	Tonne of CO ₂ e	219,393.64
Total amount of wastewater discharged	Tonne of CO ₂ e	160,259.59
Wastewater discharged per unit of revenue	Tonne of CO ₂ e/RMB1,000,000	24.47
Direct energy consumption	Tonne of standard coal equivalent	24,141.51
Indirect energy consumption	Tonne of standard coal equivalent	24,683.94
Total energy consumption	Tonne of standard coal equivalent	48,825.45
Energy consumption per unit of revenue	Tonne of standard coal equivalent/RMB1,000,000	7.46
Total amount of wastewater discharged	Tonne	1,110,439.30
Wastewater discharged per unit of revenue	Tonne/RMB1,000,000	169.58
Water consumption	Tonne	21,488,079.57
Water consumption per unit of revenue	Tonne/RMB1,000,000	3,281.62
Total amount of packaging materials used	Tonne	1,165.01
Amount of packaging materials used per unit of revenue	Tonne/RMB1,000,000	0.18
Total amount of hazardous wastes generated	Tonne	607,821.51
Amount of hazardous wastes generated per unit of revenue	Tonne/RMB1,000,000	0.93

Performance indicators	Unit	Data of 2025
Total amount of recycled/reused hazardous waste	Tonne	18.70
Total amount of disposed hazardous waste	Tonne	607,802.81
Amount of landfilled hazardous waste	Tonne	590,274.20
Amount of incinerated hazardous waste with energy recovery	Tonne	17,284.32
Amount of incinerated hazardous waste without energy recovery	Tonne	0
Hazardous waste treated by other disposal methods	Tonne	244.29
Hazardous waste with unknown disposal methods	Tonne	0
Total amount of non-hazardous wastes generated	Tonne	4,585,695.02
Amount of non-hazardous wastes generated per unit of revenue	Tonne/RMB10,000	7.00
Total amount of recycled/reused non-hazardous waste	Tonne	4,506,020.35
Total amount of disposed non-hazardous waste	Tonne	79,674.67
Amount of landfilled non-hazardous waste	Tonne	0
Amount of incinerated non-hazardous waste with energy recovery	Tonne	72,130.59
Amount of incinerated non-hazardous waste without energy recovery	Tonne	0
Non-hazardous waste treated by other disposal methods	Tonne	7,544.08
Non-hazardous waste with unknown disposal methods	Tonne	0



Social Data

Performance indicators		Unit	Data of 2025
Total number of employees		People	6,827
By employment category	Full-time employees	People	6,557
	Labor service	People	270
By region	Northeast region	People	370
	North China region	People	343
	Northwest region	People	587
	Southwest region	People	1,731
	East China region	People	2,793
	South China region	People	671
	Hong Kong, Macao, and Taiwan	People	3
	Overseas area	People	59
By gender	Male	People	5,344
	Female	People	1,213
By age	Under 30	People	2,083
	30-50 years old	People	4,185
	Over 50	People	289
By rank	Senior management	People	12
	Middle management	People	192
	General management	People	549
	General staff	People	5,804
Diversification	Proportion of female employees among all employees	%	18.50
	Proportion of female employees in middle and senior management	%	1.56
	Proportion of female employees in junior management	%	12.75
	Proportion of female employees in all levels of management	%	9.69
	Proportion of female in revenue-generating business positions	%	12.06
	Proportion of female in STEM-related positions	%	14.39
Full-time employees by ethnicity	Han nationality	People	6,174
	Minority employees	People	383
Management by ethnicity	Number of Han nationality in management	People	738
	Number of minorities in management	People	15
New employee	Total number of new employees	People	819
	Average employment cost	RMB/People	500

Performance indicators		Unit	Data of 2025
Number of new employees by gender	Number of new male employees	People	718
	Number of new female employees	People	101
Number of new employees by age	Under 30	People	498
	30-50 years old	People	321
	Over 50	People	0
Number of new employees by rank	Management	People	0
	General staff	People	819
Number of new employees by region	Mainland China employees	People	818
	China Hong Kong, Macao and Taiwan employees	People	0
	Overseas employees	People	1
Number of new employees by ethnicity	Han nationality	People	809
	Ethnic minorities	People	10
Employee turnover rate		%	7.97
By age	Under 30	%	22.28
	30-50 years old	%	1.6
	Over 50	%	0
By gender	Male	%	8.63
	Female	%	5.77
By rank	Senior management	%	0
	Middle management	%	0
	General management	%	1.46
	General staff	%	9.01
By region	Mainland China employees	%	8.13
	China Hong Kong, Macao and Taiwan employees	%	0
	Overseas employees	%	5.08
Training and development	Total training hours	Hour	196,710
	Percentage of trained employees	%	100
	Average amount invested in training and development for full-time employees	RMB/People	150
Percentage of training by gender	Male	%	81.50
	Female	%	18.50
Percentage of training by rank	Senior management	%	0.18
	Middle management	%	2.93
	General management	%	8.37
	General staff	%	88.52

Performance indicators		Unit	Data of 2025
Average length of employee training		Hour	30
Average length of training by gender	Male	Hour	30
	Female	Hour	30
Average length of training by rank	Senior management	Hour	30
	Middle management	Hour	30
	General management	Hour	30
	General staff	Hour	30
Average length of training by age	Under 30	Hour	30
	30-50 years old	Hour	30
	Over 50	Hour	30
Number and rate of work-related fatalities	2023	People	0
		‰	0
	2024	People	0
		‰	0
	2025	People	0
		‰	0
Number of lost days due to work injury		Day	687
Employee anti-corruption training	Time	Hour	60
	People	People	430
Anti-corruption training for board members	Time	Hour	15
	People	People	10
Percentage of employees covered by code of business conduct training		%	100
Number of corruption cases		/	0
Number of conflict of interest incidents		/	0
Number of money laundering incidents		/	0
Number of insider trading incidents		/	0
Number of customer privacy breach/data breach incidents		/	0
Number of suppliers		/	1,102

Performance indicators		Unit	Data of 2025
By region	Northeast region	/	21
	North China region	/	82
	Northwest region	/	28
	Southwest region	/	50
	East China region	/	798
	South China region	/	121
	Hong Kong, Macao and Taiwan and overseas area	/	2
Percentage of products recalled for safety and health reasons		%	0
Complaints about products and services		/	57
Total investment in public welfare		RMB10,000	2.39



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